For immediate release 5 September 2024

Genus plc

Preliminary results for the year ended 30 June 2024

STRUCTURALLY STRENGTHENING GENUS IN A CHALLENGING YEAR

	Adjusted results[1]				Statutory results		
	Actual currency			Constant currency change[2]	Actual currency		
Year ended 30 June	**2024**	**2023**	**Change**		**2024**	**2023**	**Change**
	£m	**£m**	**%**	**%**	**£m**	**£m**	**%**
Revenue	**668.8**	689.7	(3)	2	**668.8**	689.7	(3)
Operating profit	**67.0**	74.6	(10)	(3)	**6.4**	40.5	(84)
Operating profit inc JVs	**78.1**	85.8	(9)	(3)	**n/a**	n/a	n/a
Profit before tax	**59.8**	71.5	(16)	(8)	**5.5**	39.4	(86)
Net cash flows from operating activities	**55.1**	45.9	20	n/m[5]	**29.8**	50.4	(41)
Free cash flow[6]	**(3.2)**	9.1	n/m[5]	n/m[5]			
Basic earnings per share (pence)	**65.5**	84.8	(23)	(15)	**12.0**	50.8	(76)
Dividend per share (pence)					**32.0**	32.0	-

Strategic progress achieved despite challenging markets

- Management actions limited the impact on adjusted operating profit in a difficult year for volumes:
  - ABS Value Acceleration Programme ("VAP") initiated to structurally improve Bovine's margins, cash generation and returns profile; Phase 1 delivered £7.3m of adjusted operating profit benefit in FY24 (£10m annualised benefit); Phase 2 underway and expected to deliver £5m of adjusted operating profit benefit in FY25 (£10m annualised)
  - R&D strategic review completed, resulting in a sharper focus on key workstreams and savings of £2.4m realised in FY24 (£5m of annualised adjusted operating profit benefit in FY25)
  - Exceptional restructuring costs related to management actions of £6.7m in FY24
- Encouraging regulatory progress on the PRRS[3] Resistant Pig ("PRP"):
  - Favourable regulatory determinations from Brazil (April 2024) and Colombia (October 2023)
  - Continuing positive engagement with the US FDA[4], with approval expected in 2025
  - Initial submissions to Canadian and Japanese authorities made, as planned
  - PIC PRPs arriving in China imminently for in-country testing

Financial performance as expected, with structural changes driving stronger performance in the second half

- Second half adjusted operating profit including JVs of £40.0m, 15% higher year on year in constant currency, with £9.4m of benefit from management actions. Compares with first half adjusted operating profit including JVs of £38.1m, 17% lower year on year in constant currency
- Adjusted operating profit including JVs 3%[2] lower in constant currency (9% lower in actual currency). Good PIC ex-China growth and the realisation of benefits across ABS and R&D were offset by poor China performances and ABS volume trends
- Adjusted profit before tax (PBT) of £59.8m, 8%[2] lower in constant currency (16% lower in actual currency). Statutory PBT of £5.5m, 86% lower in actual currency, primarily due to a £8.6m decrease in the non-cash fair value IAS41 valuation of Group biological assets (including JV's) and net exceptional expenses of £24.6m[8] (2023: £3.5m net expense)
- New cash conversion[1] metric introduced which includes investments in biological assets, capital expenditure, lease repayments and cash received from JVs; 71% achieved in FY24 (2023: 53%)
- Net Debt[1] increased to £248.7m with a net debt to adjusted EBITDA[1] ratio of 2.0x, as expected, within our target range of 1.0x to 2.0x

Divisional headlines[7]

- PIC – Resilient growth ex-China, in a difficult market PIC China doubled its royalty customer numbers:
  - Continued genetic improvement, delivering $4.39/pig of genetic profit gain (2023: $3.74/pig)
  - PIC volumes increased 3%, revenue decreased 1%[2] and strategically important royalty revenue increased 4%[2], in constant currency
  - PIC trading regions ex-China adjusted operating profit increased 4%[2] in constant currency
  - PIC China adjusted operating profit decreased 60%[2] in constant currency due to the challenging market environment and planned supply chain investments; good commercial progress – 13 new royalty customers won since June 2023
- ABS – Challenging markets, particularly China; VAP delivering structural improvements and significant cost efficiencies:
  - Volumes decreased 6% (ABS ex-China volumes decreased 1%) with sexed volumes up 3%, beef volumes decreased 6%
  - Revenue increased 4%[2] in constant currency as price actions, mix and IntelliGen growth offset volume declines
  - Adjusted operating profit decreased 3%[2] in constant currency mitigated by VAP actions
  - VAP Phase 1 achieved £10m run-rate of annualised adjusted operating profit improvement by the end of FY24; Phase 2 underway and expected to deliver £5m of savings in FY25 (£10m annualised)

Outlook

- Market conditions stable to slowly improving although we remain cautious, particularly in China
- Solid adjusted operating profit growth expected from PIC in constant currency
- ABS expected to return to adjusted operating profit growth in constant currency, a stronger business with actions from VAP
- Management expects significant growth in FY25 Group adjusted profit before tax in constant currency, in-line with current market expectations
- Currency headwind of approximately £8-9m in FY25 if current exchange rates continue throughout the fiscal year

Commenting on the performance and outlook, Jorgen Kokke, Chief Executive Officer, said:
"Genus made significant progress against its strategic priorities during FY24. I am confident that our decisive actions to structurally strengthen the Group will yield significant benefits in the years to come.

In FY25, we will continue to execute against our strategic priorities and we expect to achieve significant growth in Group adjusted profit before tax in constant currency, in-line with market expectations. However, Sterling has continued to appreciate against key foreign currencies since our trading update on 17 July 2024, and we now expect a currency headwind of approximately £8-9m in FY25, if current exchange rates continue throughout the fiscal year."

Results presentation and live Q&A session today
A pre-recorded investors, analysts and bankers briefing to discuss the preliminary results for the year ended 30 June 2024 will be accessible via the following link from 7:01am UK time today:

https://webcasting.buchanan.uk.com/broadcast/66b0dea408f685532e0148c7

This will be followed by at 10.30 UKT time by a live Q&A session by invitation at Peel Hunt, 100 Liverpool Street, EC2M 2AT. Those unable to attend in person can also join via Zoom. Please contact Verity Parker at Buchanan for details: verity.parker@buchanancomms.co.uk

Enquiries:

Genus plc (Jorgen Kokke, Chief Executive Officer / Alison Henriksen, Chief Financial Officer / Anand Date, Investor Relations Director)	Tel: 01256 345970

Buchanan (Charles Ryland / Toto Berger / Sophie Wills / Verity Parker)	Tel: 0207 4665000

About Genus

Genus advances animal breeding and genetic improvement by applying biotechnology and sells added value products for livestock farming and food producers. Its technology is applicable across livestock species and is currently commercialised by Genus in the dairy, beef and pork food production sectors.

Genus's worldwide sales are made in over 80 countries under the trademarks 'ABS' (dairy and beef cattle) and 'PIC' (pigs) and comprise semen, embryos and breeding animals with superior genetics to those animals currently in farms. Genus's customers' animals produce offspring with greater production efficiency and quality, and our customers use them to supply the global dairy and meat supply chains. Genus thereby enables its customers to produce greater volumes of high quality animal protein whilst using fewer inputs such as feed, water and land. This is both good for the environment and the sustainability of our customers' operations.

Genus's competitive edge comes from the ownership and control of proprietary lines of breeding animals, the biotechnology used to improve them and its global supply chain, technical service and sales and distribution network.

Headquartered in Basingstoke, United Kingdom, Genus companies operate in over 24 countries on six continents, with research laboratories located in Madison, Wisconsin, USA.

[1] Adjusted results are the Alternative Performance Measures ('APMs') used by the Board to monitor underlying performance at a Group and operating segment level, which are applied consistently throughout. These APMs should be considered in addition to statutory measures, and not as a substitute for or as superior to them. For more information on APMs, see the APM Glossary

[2] Constant currency percentage movements are calculated by representing the results for the year ended 30 June 2024 at the average exchange rates applied to adjusted operating profit for the year ended 30 June 2023

[3] Porcine Reproductive and Respiratory Syndrome

[4] United States Food and Drug Administration

[5] n/m = not meaningful

[6] Free cash flow definition has changed this year to include lease repayments, the 2023 comparative has also been restated

[7] Prior year period restated. Please see Note 2 of the notes to the condensed set of Financial Statements changes of reportable segments

[8] Net exceptional expenses of £24.6m predominantly comprised £10.4m related to ST litigation and settlements, £6.7m related to restructuring activity and £7.4m related to a number of potential corporate transactions which are no longer active

CHIEF EXECUTIVE'S REVIEW

Strategic Priorities Have Started To Deliver

FY24 was a challenging year for Genus, due particularly to market conditions in many parts of the world, but we took proactive steps to minimise the impact and made significant strategic progress to strengthen the company's position for FY25 and beyond.

Group Performance

Group revenue increased by 2% in constant currency and decreased 3% in actual currency. Adjusted PBT decreased by 8% in constant currency (16% in actual currency), whilst statutory PBT decreased by 86%.

PIC achieved a robust performance, growing market share and increasing profit in all regions outside Asia. Europe was the standout performer, while North America increased profits in very challenging conditions. Asia was impacted by the ongoing slow recovery in China, resulting in reduced profits. Overall PIC's volumes increased 3%, revenue decreased 1% and royalty revenue increased 4%, in constant currency. Adjusted operating profit (including joint ventures) decreased by 2% in constant currency.

ABS faced significant challenges around the globe, particularly in China and Brazil. As a result, volumes decreased 6% albeit revenues increased by 4% in constant currency. Adjusted operating profit decreased 3% in constant currency, with the impact of the challenging trading largely offset by £7.3m of profit improvements from our Value Acceleration Programme (VAP). ABS was significantly impacted by exchange rate movements in the year, most notably the Argentine Peso. This resulted in adjusted operating profit in actual currency decreasing 25%.

Our Strategic Priorities

This year, we have focused on our four strategic priorities to improve profitability and guide our progress.

1. Continue growth in porcine, with more stable growth in China

We continued to extend PIC's lead in differentiated genetics and services, supported by continued acceleration of genetic gain for target traits across our product lines. PIC also demonstrated superior genetic performance through product validation trials in every geography. In China, we focused our go-to-market strategy on driving royalty revenue with key accounts. This enhanced commercial approach resulted in us signing new royalty customers in FY24, which both supports long-term growth and reduces exposure to volatility. We have a strong relationship with the BCA and we continue to work together to bring PRP to China.

2. Deliver successful commercialisation of PRP

We continued to invest in preparations for the prospective commercialisation of this ground-breaking product, increasing our population of pigs, which now spans multiple generations. In parallel, we made encouraging progress with regulatory approvals, achieving favourable determinations in Colombia and Brazil while continuing to engage with regulators in other target markets. In particular, we maintained positive engagement with the US Food and Drug Administration, with the focus now being post-approval compliance. We also made regulatory submissions in Canada and Japan and received a licence to import gene-edited animals into China for testing, with shipments expected to start in FY25.

3. Deliver greater value from bovine

Through VAP, we are taking concerted action to strengthen the business, increase effectiveness and enhance efficiency which will improve margins. Under the leadership of Jim Low, who joined in April as our new ABS Chief Operating Officer, we are focused on delivering a multi-year transformation programme. Actions to date have included price increases on our value-added services, rationalisation of production and integration of beef, dairy and IntelliGen to increase productivity and drive efficiencies in our supply chain. Further actions being taken in FY25 are expected to deliver £5m of profit improvement in FY25 at an annualised run-rate of £10m by the end of that year.

During the year, ABS launched its new Sexcel Male Beef product. This is a major breakthrough which utilises our proprietary sexing technology to help customers produce more male calves, for sale into the beef supply chain.

4. Generate attractive returns from more focused R&D investments

We conducted a strategic review of our R&D activities, considering each project's deliverability, commercial potential and strategic fit. As a result, we stopped work on around a third of these projects, giving Genus a more focused approach and balanced portfolio, closely aligned with company strategy and business need. We expect £5m of annualised adjusted operating profit benefit from FY25. While our near-term focus is on PRP regulatory approval and the launch of Sexcel Male Beef, we continue to be excited about the opportunities generated by our R&D programme in areas such as disease resistant animals and reproductive technology.

Our People And Culture

Colleagues across our company continued to demonstrate deep commitment, drive and energy, despite some difficult circumstances during the year. Our teams helped us navigate challenges and deliver the strategic progress that positions us well for the future. I would like to thank all Genus team members for their contribution.

Any successful company requires a compelling vision and a vibrant culture that unites its people. We have reviewed both this year.

We adjusted our vision to be *Pioneering animal genetic improvement to sustainably nourish the world*. We retained the focus on innovation, which is the bedrock of our genetic improvement work. However, we added explicit reference to sustainability, to recognise how we help customers increase the global supply of safe, nutritious and affordable protein, with use of fewer natural resources.

We also refreshed our company values, which reflect our culture, to help inspire colleagues around the world and guide the way we all work. These four values are *Collaborate as One Team*, *Create Value for Customers*, I*nnovate with Purpose* and *Never Stop Improving*. These values represent who we are at our best and are being embedded across the company.

Helping Customers Achieve Their Sustainability Goals

The animal protein sector is a significant producer of greenhouse gases and we continue to demonstrate the role that genetic improvement plays in reducing emissions. PIC has completed a life cycle analysis (LCA) in North America showing that its conventional genetics reduce emissions by more than 7% against the industry average. The PRP will further improve this, as better animal health leads to increased production and higher animal welfare. We are pursuing further LCAs globally, in PIC and ABS, as we continue to demonstrate the environmental commitment reflected in our vision.

Financial and Operating Review

Financial Review

In the year ended 30 June 2024, Group revenue decreased by 3% in actual currency (a 2%[2] increase in constant currency). Adjusted operating profit including joint ventures decreased by 9% (3%[2] in constant currency), reflecting the challenging market environments experienced by both businesses along with foreign currency headwinds. R&D investment decreased by 12% (9%[2] in constant currency) following a strategic review of activities to align to Genus's strategy and ensure they have compelling commercial opportunity, resulting in around a third of projects being stopped. During the year, management also initiated ABS's Value Acceleration Programme to structurally improve margins, ROIC[1] and cash generation[1]. Phase 1 of VAP has achieved £7.3m of adjusted operating profit improvement in the year.

On a statutory basis, profit before tax was £5.5m (2023: £39.4m). The difference between statutory and adjusted profit before tax was predominantly due to a £23.2m decrease in the non-cash fair value IAS41 valuation of biological assets of the Group, a £14.6m increase in the non-cash fair value IAS41 valuation of biological assets in JVs and associates, and net exceptional expenses of £24.6m (2023: £3.5m net expense). Basic earnings per share on a statutory basis were 12.0 pence (2023: 50.8 pence).

Adjusted profit before tax of £59.8m decreased 8% in constant currency, with interest expense increasing from £14.3m to £18.3m (a 22%[2] increase in constant currency) primarily from higher interest rates.

The effect of exchange rate movements on the translation of overseas profits decreased the Group's adjusted profit before tax for the year by £6.2m compared with 2023, primarily due to the weakness of the Argentine Peso and Russian Ruble against Sterling during the year.

Revenue

Revenue decreased by 3% in actual currency (a 2%[2] increase in constant currency) to £668.8m (2023: £689.7m). PIC's revenue decreased by 4% (a 1%[2] decrease in constant currency), however strategically important royalty revenues increased by 4%[2] in constant currency. In ABS, revenue decreased by 2% (a 4%[2] increase in constant currency), however sexed revenues increased 8% in constant currency reflecting the continuing success of Genus's sexed genetics and IntelliGen processing capability.

Adjusted Operating Profit Including JVs

	Actual currency			Constant currency change
Year ended 30 June	**2024**	**2023[2]**	**Change**	
Adjusted Profit Before Tax[1]	**£m**	**£m**	**%**	**%**
Genus PIC	**103.6**	108.7	(5)	(2)
Genus ABS	**14.0**	18.7	(25)	(3)
R&D	**(21.8)**	(24.8)	(12)	(9)
Central costs	**(17.7)**	(16.8)	(5)	(12)
Adjusted operating profit inc JVs	**78.1**	85.8	(9)	(3)
Net finance costs	**(18.3)**	(14.3)	(28)	(22)
Adjusted profit before tax	**59.8**	71.5	(16)	(8)

[1] Includes share of adjusted pre-tax profits of joint ventures and removes share of adjusted profits of non-controlling interests

[2] Prior year period restated. Please see Note 2 of the notes to the condensed set of Financial Statements changes of reportable segments

Adjusted operating profit including joint ventures was £78.1m (2023: £85.8m), a 3%[2] decrease in constant currency. The Group's share of adjusted joint venture operating profit, primarily from our Brazilian joint venture with Agroceres, was similar to prior year at £10.2m (2023: £10.8m).

PIC's adjusted operating profit including joint ventures decreased by 2%[2] in constant currency predominantly due to performance in China and increased PRP investment, partially offset by tight cost management across the business. Strategically important royalty revenues increased 4%[2] in constant currency and grew in every region other than Asia.

ABS's adjusted operating profit decreased by 3% in constant currency. Demand for Sexcel, our proprietary bovine sexed product, continued to increase, as well as our IntelliGen third party sexed processing, however there was weakness across many markets, particularly China and Brazil. As mentioned above, management initiated ABS's Value Acceleration Program during the year to structurally improve margins, ROIC[1] and cash generation[1].

Statutory Profit Before Tax

The table below reconciles adjusted profit before tax to statutory profit before tax:

	2024	2023
	£m	£m
Adjusted Profit Before Tax	**59.8**	71.5
Operating loss attributable to non-controlling interest	**(0.9)**	(0.4)
Net IAS 41 valuation movement on biological assets in JVs and associates	**14.6**	3.6
Tax on JVs and associates	**(5.7)**	(3.9)
Adjusting items:		
Net IAS 41 valuation movement on biological assets	**(23.2)**	(16.9)
Amortisation of acquired intangible assets	**(5.8)**	(7.7)
Share-based payment expense	**(7.0)**	(6.0)
Other gains and losses	**(1.7)**	2.7
Exceptional items	**(24.6)**	(3.5)
Statutory Profit Before Tax	**5.5**	39.4

Statutory profit before tax was £5.5m (2023: £39.4m), reflecting the lower adjusted profit performance, higher interest expense, higher share-based payment expenses and higher net exceptional items. The net IAS 41 valuation uplift on biological assets in JVs was principally caused by the stocking of Genesis, a PIC JV farm in Brazil, but this was offset by a reduction in the Group's net IAS 41 valuation on biological assets comprising a £20.2m uplift (2023: £24.9m reduction) in porcine biological assets, principally due to the restocking of Aurora, our genetic nucleus farm in Canada, following an upgrade to the farm facilities and health status, along with stocking of the Ankang and LuoDian farms in China, and a £43.4m reduction (2023: £8.0m uplift) in bovine biological assets, reflecting lower forecast sales volume growth and rationalisation of bulls. Share-based payment expense was £7.0m (2023: £6.0m). These reconciling items are primarily non-cash, can be volatile and do not correlate to the underlying trading performance in the year.

Exceptional Items

There was a £24.6m net exceptional expense in the year (2023: £3.5m net expense), which includes legal fees, settlement and related costs of £10.4m (2023: £4.5m) primarily related to a settlement agreement reached with STgenetics on litigation matters. As part of ABS's on-going Value Acceleration Programme, significant one-off expenses were recognised in relation to staff redundancies (£3.0m), fixed asset and inventory write downs (£1.1m) and consultancy fees (£1.9m). Staff redundancy costs of £0.7m were recognised in relation to changes made as a result of the R&D strategic review completed in the year. £7.4m of exceptional cost was professional fees, primarily incurred in relation to potential corporate transactions which are no longer active.

Net Finance Costs

Net finance costs increased to £18.3m (2023: £14.3m), primarily due to interest rate rises during the year. Average interest rates in the period increased to 6.20% (2023: 4.94%), raising the cost of like-for-like borrowings by £2.9m. Average borrowings increased by 3% to £234.4m (2023: £226.9m) resulting in a further £0.3m increase in interest costs in the year. The interest rate increases were mitigated by the company's fixed interest cover, which reduced the impact of rate increases to the above levels by £2.3m (2023: £1.0m).

Amortisation costs in the year were £0.9m (2023: £1.1m) and within other interest there was IFRS 16 finance lease interest of £2.8m (2023: £1.2m) and both a discount interest unwind on the Group's pension liabilities and put options totalling £0.5m (2023: £0.5m). Foreign interest in the year was an income of £0.4m (2023: £0.2m expense).

Taxation

The statutory profit tax charge for the period, including share of income tax of equity accounted investees of £8.8m (2023: £11.5m), represents an effective tax rate (ETR) of 78.6% (2023: 26.6%). The increase in the statutory ETR of 52 points results primarily from an increase of 18.8% in the impact of fixed withholding taxes as a percentage of the lower statutory profit, an increase of 45.1% in non-deductible expenses due to the disallowance for tax of advisor fees on increased corporate transaction activity, less the favourable (13.5)% impact of changes in judgements on deferred tax balances, movements in provisions and prior year credits.

The adjusted profit tax charge for the year of £16.8m (2023: £15.9m) represents an ETR on adjusted profits of 28.1% (2023: 22.2%). In the current year, the adjusted tax charge has benefitted by 2.6% from the above mentioned changes in judgements on deferred tax balances, movements in provisions and prior year credits and increased by 2.6% from increases in withholding taxes and non-deductible expenses in the year. In the prior year, the Group adjusted ETR benefitted by 6.2% due to the initial recognition of deferred tax assets in respect of losses forward in the Group's subsidiaries in Australia and France. The expected adjusted profit for the Group in FY25 is in the range of 26-28%.

Earnings Per Share

Adjusted basic earnings per share reduced by 23% (15% reduction in constant currency) to 65.5 pence (2023: 84.8 pence) as PIC ex-China growth and management actions across ABS and R&D were offset by China, volume trends in ABS and higher interest expenses. Basic earnings per share on a statutory basis were 12.0 pence (2023: 50.8 pence), taking into account the factors above and higher share-based payment expenses and higher net exceptional items.

Biological Assets

A feature of the Group's net assets is its substantial investment in biological assets, which under IAS 41 are stated at fair value. At 30 June 2024, the carrying value of biological assets was £349.7m (2023: £364.7m), as set out in the table below:

	2024	**2023**
	£m	**£m**
Non-current assets	**297.4**	318.2
Current assets	**32.3**	23.8
Inventory	**20.0**	22.7
	349.7	364.7
Represented by:		
Porcine	**267.4**	242.7
Dairy and beef	**82.3**	122.0
	349.7	364.7

The movement in the overall balance sheet carrying value of biological assets of £15.0m includes the effect of an exchange rate translation decrease of £1.4m. Excluding the translation effect there was:

- a £26.0m increase in the carrying value of porcine biological assets, due principally to the restocking of Aurora, our genetic nucleus farm in Canada, following an upgrade to the farm facilities and health status, along with stocking of the Ankang and LuoDian farms in China; and

- a £39.6m decrease in the bovine biological assets carrying value, primarily reflecting lower forecast sales volumes and rationalisation of bulls.

The historical cost of these assets, less depreciation, was £80.9m at 30 June 2024 (2023: £83.4m), which is the basis used for the adjusted results. The historical cost depreciation of these assets included in adjusted results was £15.3m (2023: £13.4m).

Retirement Benefit Obligations

The Group's retirement benefit obligations at 30 June 2024 were £6.6m (2023: £6.9m) before tax and £5.4m (2023: £5.6m) net of related deferred tax. The largest element of this liability now relates to some legacy unfunded pension commitments dating prior to Genus's acquisition of PIC.

Robust investment strategies mean our two main defined benefit obligation schemes have remained in sound financial positions. Prior to any IFRIC 14 amendments, both the Dalgety Pension Fund and our share of the Milk Pension Fund reported IAS 19 surpluses.

Cash Flow

Free Cash flow	**2024 £m**	**2023 £m**
Adjusted EBITDA	**108.9**	110.6
Cash received from joint ventures	**4.7**	2.6
Working capital	**(11.2)**	(12.3)
Biological assets	**(9.6)**	(11.1)
Net capital expenditure	**(24.0)**	(32.8)
Lease repayments	**(13.7)**	(11.1)
Adjusted cash from operating activities	**55.1**	45.9
Exceptional items	**(17.9)**	(7.1)
Pension contributions, provisions & other	**(1.4)**	(1.4)
Interest and tax paid	**(39.0)**	(28.3)
Free cash flow inc. lease repayments	**(3.2)**	9.1

Adjusted cash from operating activities of £55.1m (2023: £45.9m) comprised broadly similar adjusted EBITDA of £108.9m (2023: £110.6m) but with significantly lower net capital expenditure of £24.0m (2023: £32.8m), as planned. Free cash outflow, including lease repayments, of £3.2m (2023: £9.1m inflow) was impacted by a higher year on year cash outflow of £10.8m in relation to exceptional items along with increased interest and tax payments.

Cash conversion %	**2024 £m**	**2023 £m**
Adjusted Operating profit inc. JV	**78.1**	85.8
Adjusted cash from operating activities	**55.1**	45.9
Cash conversion %	**71%**	53%

To improve our measurement of cash flow performance we have introduced a new cash conversion key performance indicator which incorporates investments in biological assets, capital expenditure, lease repayments and cash received from joint ventures. This new metric aligns with our management reporting and the operational management of cash flows in Genus's business. Under this new metric, cash flow conversion in FY24 was 71% (FY23: 53%) and our new annual target for cash flow conversion is at least 70%, which we expect to meet in the coming year.

The cash inflow from investments, including joint venture loans, was £nil (2023: £0.7m outflow), with proceeds primarily from the sale of NMR shares of £4.6m being offset by loan investments in our China joint ventures of

£2.2m, to increase production capacity, and £2.9m to purchase the remaining 61% shareholding in Xelect Limited, a leading provider of specialist genetics and breeding management services to the aquaculture industry.

Net Debt and Credit Facilities

Net debt increased to £248.7m at 30 June 2024 (2023: £195.8m) was impacted by a Free cash outflow of £3.2m, dividend payments of £21.0m and a net increase in lease liabilities of £26.2m, primarily from new farm leases in China. The ratio of net debt to adjusted EBITDA as calculated under our financing facilities at the year-end increased to 2.0 times (2023: 1.6 times) which remains in line with our medium-term objective of having a ratio of net debt to EBITDA of between 1.0 – 2.0 times. At the end of June 2024, interest cover was at 8 times (2023: 10 times).

At the balance sheet date, the Company's credit facilities comprised a £190m multi-currency revolving credit facility ('RCF'), and a USD170 million RCF. The original term of the facility was for three years to 24 August 2023. The Company and its lenders extended the maturity date of the total facilities to 24 August 2024 and 24 August 2025 respectively. A further one-year extension to 24 August 2026 was signed on 31 July 2024. The Company's credit facility at 30 June 2024 also included a remaining balance of £39m from the facility's £100m uncommitted accordion option. On 21 August 2024, £28.2m of the remaining £39m accordion feature in the Group Facility Agreement was made available by the Group's lenders. This additional amount was requested in part to replace a £17m reduction in headroom following the planned departure of one of the syndicate banks. This bank withdrew from the facility on 23 August 2024 at the end of the first facility extension period as part of a strategy to concentrate on clients with substantial operations in their homeland. Following these changes, £208.2m and USD161.0m RCFs are available to 24 August 2025, reducing to £186.4m and USD141.5m of facilities for the final extension to 24 August 2026. The Company is planning to establish a new multi-year facility during the second half of FY25.

Net debt as calculated under our financing facilities excludes IFRS 16 lease liabilities up to a cap of £30m but includes bank guarantees. On 30 June 2024, the Group had headroom of £106.7m (2023: £118.7m) under its available credit facilities.

Capital allocation priorities and return on adjusted invested capital

Our capital allocation prioritises the investment of cash in areas that will deliver future earnings growth and strong cash returns on a sustainable basis. This includes investment for organic growth as a first priority through investment in our existing businesses, including capital expenditure in infrastructure, innovation in new products and the development of our people. We supplement organic growth with value enhancing acquisitions in current and adjacent market niches, aligned with our purpose. This brings new technology, intellectual property and talent into the Group and expands our market reach, keeping Genus well-positioned in growing markets over the long term.

The return on adjusted invested capital, as defined in the alternative performance measures glossary, was lower at 11.5% (2023: 14.7%), reflecting a decrease in adjusted operating profit including joint ventures after tax to £56.2m (2023: £66.8m), due to the 9% decrease in adjusted operating profit including joint ventures and a 5.9 point increase in the adjusted effective tax rate. Adjusted invested capital increased by 8% to £489.5m (2023: £455.0m), predominantly due to £24.2m of new leases in the year related to two farms in China.

Dividend

Recognising the importance of balancing investment for the future with ensuring an attractive return for shareholders, the Board is recommending a final dividend of 21.7 pence per ordinary share, consistent with the prior year final dividend. When combined with the interim dividend, this will result in an unchanged total dividend for the year of 32.0 pence per ordinary share (2023: 32.0 pence per share). Dividend cover from adjusted earnings decreased to 2.0 times (2023: 2.7 times).

It is proposed that the final dividend will be paid on 6 December 2024 to the shareholders on the register at the close of business on 8 November 2024.

[1] Adjusted results are the Alternative Performance Measures ('APMs') used by the Board to monitor underlying performance at a Group and operating segment level, which are applied consistently throughout. These APMs should be considered in addition to statutory measures, and not as a substitute for or as superior to them. For more information on APMs, see the APM Glossary

[2] Constant currency percentage movements are calculated by representing the results for the year ended 30 June 2024 at the average exchange rates applied to adjusted operating profit for the year ended 30 June 2023

Genus PIC – Operating Review

Year ended 30 June	Actual currency 2024	2023*	Change	Constant currency Change
	£m	£m	%	%
Revenue	**352.5**	368.1	(4)	(1)
Adjusted operating profit pre-product development	**141.6**	145.3	(3)	1
Porcine product development expense	**38.0**	36.6	4	8
Adjusted operating profit exc JV	**93.8**	98.4	(5)	(2)
Adjusted operating profit inc JV	**103.6**	108.7	(5)	(2)
Adjusted operating margin exc JV	**26.6%**	26.7%	(0.1)pts	(0.2)pts

* Prior year period restated. Please see Note 2 of the notes to the condensed set of Financial Statements changes of reportable segments

In many parts of the world, pork producers made losses in the first half of FY24 but benefitted from improving economic conditions in the second half. In North America, after the worst period of financial losses across the industry since the 2008-2010 financial crisis, pork producers recorded small profits. The picture was similar in China, where the pork production industry registered aggregate profits in the second half, following many years of aggregate losses. Lower feed costs in the second half of the fiscal year improved margins for Latin American producers. In contrast to other regions, producers in Europe were profitable throughout FY24, benefitting from high prices due to tight supply following the contraction of the region's breeding herd in previous years.

Against this backdrop, PIC's revenue decreased 1% in constant currency. This was predominantly due to the performance in China and lower breeding stock sales in North America. Strategically important royalty revenues increased 4% in constant currency and grew in every region other than Asia. Costs were managed tightly with constant currency savings in production and supply chain offset by a planned £2.6m increase in PRP costs and a £1.6m increase in IT and other support function costs. Adjusted operating profit excluding JVs decreased 2% in constant currency at a margin of 26.6%. JV income decreased £0.5m in actual currency (a decrease of £0.4m in constant currency). Adjusted operating profit including JVs decreased 2% in constant currency.

PIC's product development teams continued to strengthen genomic selection and accelerate progress on target traits, delivering $4.39 of genetic profit gain in the year which exceeded its target of $3.80. In addition, PIC took further steps to embed digital phenotyping tools across our facilities and contracted elite farms. During the year, PIC also made significant strides in cementing its sustainability leadership by receiving ISO certification for its Life Cycle Assessments ("LCAs"). These LCAs demonstrate that using PIC full programme genetics delivers an approximately 7% reduction in greenhouse gas emissions, water consumption and land usage relative to industry average genetics in North America and Europe.

Significant PRP progress was also made during the year. From a regulatory perspective, PIC received favourable determinations from Brazil (26 April 2024) and Colombia (5 October 2023) and continues to engage positively with the US FDA. Concurrent submissions to Canadian and Japanese authorities have also begun. Testing of live PRP animals in China is expected to start in FY25, with PIC receiving the first ever license to import gene-edited animals into the country. Market acceptance activities have also been ramped up to engage the wider pork supply chain ahead of North American commercialisation.

Year ended 30 June 2024	Revenue	Royalty Revenue	Volumes (MPEs)	Adjusted Operating Profit*
Actual Currency				
PIC Total	£352.5m(-4%)	£177.4m (+0%)	202.2m (+3%)	£103.6m (-5%)
Constant Currency				
NAM	-6%	+4%	0%	+5%
LATAM	+10%	+6%	+4%	+3%
EMEA	+2%	+9%	+7%	+13%
ASIA	+13%	-8%	-3%	-37%
Asia ex-China	-10%	+5%	+3%	-5%

NB: Growth rates compared to the same period last year

* Including JVs. Prior year period restated; please see Note 2 of the notes to the condensed set of Financial Statements changes of reportable segments

Regional Trading Commentary

North America achieved an adjusted operating profit increase of 5%*, supported by a 4%* increase in royalty revenues from existing customers despite the tough trading environment. Total revenue decreased by 6%* as a result of lower sales of new breeding stock. Over the year the U.S. breeding herd declined slightly but production continued to grow, benefitting from stable herd health and higher productivity. Pork producers made losses in the first half of the fiscal year, but started generating profits in the second half as prices improved and feed costs reduced. Export volumes were also strong in the second half of the year, with sales growth to Mexico and South Korea more than offsetting declines to China, Japan and Canada.

Latin America increased adjusted operating profit by 3%*, supported by a 6%* increase in royalty revenue. This was despite the impact of currency instability in Argentina, and reduced JV income by £0.5m* from our joint venture with Agroceres. Royalty volumes in Chile and Colombia were particularly strong, driven by improved productivity of customers in the region. In Brazil, declining feed costs and strong export volumes drove further increases in production and enhanced margins for producers. In Mexico, higher pork prices and lower feed costs in the second half of the fiscal year helped producers improve profitability.

Europe had an excellent year and grew market share, achieving a 13%* increase in adjusted operating profit on royalty revenue growth of 9%*. Performance in Spain, Germany and Italy was particularly strong with both volume and price growth. The EU breeding herd began to stabilise in the second half of the fiscal year after significant contraction in prior periods due to economic, geopolitical and regulatory challenges. As a result of the herd contraction, pork prices remained above averages seen in 2019 to 2023 with producers generally achieving positive margins. Export volumes and domestic pork meat consumption, however, continued to struggle as a result of relatively high prices, geopolitical events and on-going disease challenges such as African Swine Fever (“ASF”).

Asia saw adjusted operating profit decrease by 37%* driven predominantly by a 60%* reduction in PIC China due to the challenging trading conditions and higher supply chain costs. Excluding China, customers in the rest of Asia were impacted by disease outbreaks with adjusted operating profit decreasing 5%* despite royalty revenue growth of 5%*. Chinese pork producers endured a challenging first half of the fiscal year as pig prices remained below the cost of production. There were signs of improving profitability in the second half as the Chinese pig price to feed ratio climbed and remained above 6x (a proxy for industry break-even) from April 2024. However, Chinese producers remain cautious after many years of industry losses. Herd health continues to be a challenge for producers across the region, with ASF and PRRS the two most challenging diseases. During the year, PIC China’s commercial focus on building recurring royalty revenue gained strong traction, leading to agreements with 13 new royalty customers, doubling the number of royalty customers PIC China has to 26. It typically takes 2-4 years for royalty revenues from new royalty customers to reach production maturity.

* Constant currency growth rate compared to the same period last year

Genus ABS - Operating Review

Year ended 30 June	Actual currency 2024	2023*	Change	Constant currency Change
	£m	£m	%	%
Revenue	**314.9**	321.6	(2)	4
Adjusted operating profit pre-product development	**37.3**	43.6	(14)	(3)
Bovine product development expense	**23.3**	24.9	(6)	(3)
Adjusted operating profit	**14.0**	18.7	(25)	(3)
Adjusted operating margin	**4.4%**	5.8%	(1.4)pts	(0.4)pts

* Prior year period restated. Please see Note 2 of the notes to the condensed set of Financial Statements changes of reportable segments

Bovine producers experienced a challenging period across all regions. Dairy producers generally had a tougher year than beef producers as global milk prices proved less robust than beef prices. In China, demand for dairy genetics was significantly impacted by reduced consumer demand coinciding with increased dairy production from prior year farm expansions. Latin America was also challenging as a result of currency instability in Argentina and weak demand from Brazilian beef producers. Global dairy producer migration from conventional to sexed and beef-on-dairy genetic strategies continued, with a strong increase in sexed adoption in Latin America in particular. Whilst growth of sexed adoption has slowed in some developed markets, IntelliGen continued to achieve growth from further global adoption and new customer wins on both technology transfers and third party processing.

During the year, management initiated ABS's Value Acceleration Programme. This comprehensive programme will structurally improve margins, ROIC and cash generation. Actions being taken include organisational structure change, redeployment of resources to higher returning markets and customers, a more robust sales and operational planning process, and stronger pricing mechanisms and governance. In FY24 these actions delivered c.£10m of annualised efficiencies and savings, of which £7.3m were realised in-year. Exceptional costs of £6.0m associated with these actions were recognised in FY24. ABS will continue to drive and embed further improvement with Phase 2 of the Value Acceleration Programme in FY25 to build a stronger and more sustainably profitable Bovine business.

Amidst tough markets, ABS revenue increased 4% in constant currency. Strong pricing governance and mix offset a volume decrease of 6%, comprising a 12% decrease in dairy conventional volumes, a 6% decrease in beef conventional volumes and a 3% increase in sexed volumes. Controllable costs decreased versus the prior year but were offset by inventory provisions and other supply chain impacts of £3.1m. Adjusted operating profit decreased 3% in constant currency at a margin of 4.4%.

From a product development perspective, ABS continued to strengthen its range of proprietary dairy genetics. ABS's current Jersey and polled Holstein genetics are market leaders and ABS currently markets 12 of the top 30 Jersey sires for Cheese Merit and 18 of the top 20 homozygous polled Holstein sires for Net Merit. The pipeline of dairy bulls yet to reach the market has the potential to strengthen these market-leading positions. In Beef, the proprietary NuEra genetic programme continues to exceed genetic improvement targets with product performance trials continuing to demonstrate the superior performance of these genetics in customer systems. ABS also initiated pioneering Life Cycle Assessments for beef to show how its elite genetics reduce an animal's carbon footprint.

Year ended 30 June 2024	Revenue	Volume (m straws)	Adjusted Operating Profit*
Actual Currency			
ABS Total	£314.9 (-2%)	24.8m (-6%)	£14.0m (-25%)
Constant Currency			
NAM	+2%	-6%	+5%
LATAM	+13%	-6%	+31%
EMEA	+7%	+4%	+6%
ASIA	-13%	-12%	-24%

NB: Growth rates compared to the same period last year

* Prior year period restated. Please see Note 2 of the notes to the condensed set of Financial Statements changes of reportable segments

Regional Trading Commentary

North America saw volumes decrease by 6%, comprising a 21% reduction in dairy conventional volumes, a 9% decrease in beef volumes, and a more robust 3% increase in sexed volumes. Dairy conventional volumes were challenged by producers' continued transition to a sexed and beef-on-dairy strategy as well as market contraction due to better herd fertility. Despite this revenue increased by 2%*, driven by strong price management, and adjusted operating profit increased 5%*, also reflecting actions taken in VAP Phase 1 to improve profitability of products and services to certain customers. Within this result, Intelligen performed well with volume and operating profit increasing on new contract wins. In the second half of the year, highly pathogenic avian influenza was confirmed in the US dairy herd, however the impact on producer productivity and consumer demand has been limited.

Latin America saw volumes decrease by 6%, with a 6% increase in sexed volumes offset by a 9% decrease in dairy conventional volumes and an 8% decrease in beef volumes. Dairy volumes were driven by increased penetration of sexed volumes in Gene Advance accounts as well as increased market adoption of sexed and beef-on-dairy strategies. Beef volumes were challenging, especially in Brazil, where macroeconomic weakness continued to impact demand. Despite this, strong mix and pricing drove a 13%* increase in revenue. Cost management actions also helped expand operational gearing to drive a 31%* increase in adjusted operating profit, albeit this was tempered in actual currency by Argentine currency devaluation.

EMEA saw volumes increase by 4%, with a 5% decrease in dairy conventional volumes being more than offset by a 3% increase in beef volumes and a 13% increase in sexed volumes. Market headwinds in Northern Europe impacted farmer profitability but this was offset by strong growth in France, Ukraine, South Africa and some distributor markets. Targeted pricing initiatives and improved mix also helped drive a 7%* increase in revenue. Adjusted operating profit increased by 6%*, a marginally lower level than revenue growth, due to wage inflation in the region.

Asia saw volumes decrease by 12%, comprising a 13% decrease in dairy conventional volumes, a 19% decrease in beef volumes and a 7% decrease in sexed volumes. China was the key driver as a material reduction in dairy and dairy product consumption coincided with an increase in production from farm expansions in prior years. This resulted in milk prices dropping below the cost of production and milk processors taking substantial action to restrict milk collections. The resulting impact on producer profitability significantly reduced demand for elite dairy genetics. Sexed volumes were also particularly impacted as Chinese dairy farmers sought to contract production. In Australia, beef prices remained at low levels which led to weak demand for beef genetics. Against this backdrop, revenues decreased by 13%* and adjusted operating profit by 24%*.

* Constant currency growth rate compared to the same period last year

Research and Development - Operating Review

Year ended 30 June	Actual currency 2024	Actual currency 2023*	Actual currency Change	Constant currency Change
	£m	£m	%	%
Gene editing	**6.3**	7.4	(15)	(11)
Other research and development	**15.5**	17.4	(11)	(8)
Net expenditure in R&D	**21.8**	24.8	(12)	(9)

* Prior year period restated. Please see Note 2 of the notes to the condensed set of Financial Statements changes of reportable segments

During the year, Genus completed a strategic review of its R&D activities. The goal was to ensure that all early-stage projects align to Genus's strategy, have a compelling commercial opportunity, are deliverable, and lead to a balanced portfolio overall. As a result of this review R&D stopped work on around a third of its projects. Resources have either been reallocated to key workstreams or realised as savings. In FY24 these savings amounted to £2.4m and R&D continues to expect £5m of annualised savings in FY25. Genus recognised £0.7m of exceptional costs associated with the R&D strategic review in FY24. Overall net expenditure in R&D decreased by 9% in constant currency reflecting the initial impact of R&D's strategic review.

R&D continued to make good progress across a number of its programmes in FY24, with the immediate focus being to bring PRP to market and leverage our IntelliGen sexing technology to drive profitable growth in ABS.

As noted in the PIC operating review, we made encouraging PRP regulatory progress in the year. We received favourable determinations from Brazil (April 2024) and Colombia (October 2023) and continue to engage positively with the US FDA. Concurrent submissions to Canadian and Japanese authorities have also begun. Testing of live PRP animals in China is expected to start in FY25, with PIC receiving the first ever license to import gene-edited animals into the country.

During the year, ABS commercially launched Sexcel Male Beef which was enabled by iterative improvements to our IntelliGen technology. Sexcel Male Beef is a novel product that applies sexing technology to beef-on-dairy genetics to produce high male skew straws of semen. Male beef calves are more attractive to the beef industry for their faster growth rates and greater muscle mass. Sexcel Male Beef therefore adds to our portfolio of value-adding products for our customers.

GENUS RISK MANAGEMENT

Genus is exposed to a wide range of risks and uncertainties as it fulfils its purpose of helping farmers produce high quality meat and milk more efficiently and sustainably, which increases the availability of safe and affordable animal protein for consumers.

Some of these risks relate to our business operations, while others relate to future commercial exploitation of our leading-edge R&D programmes. We are also exposed to global economic and political risks such as trade restrictions attributed to the on-going conflicts in Russia-Ukraine, the Middle East, and trade restrictions attributed to disease outbreaks like Avian Flu in the US which can restrict the movement of our products.

As part of our continuous risk management process we monitor current and emerging internal and external risks and where appropriate we reflect the changes in principal risks or on our group risk register.

Emerging Risks
This year our reviews of emerging risks focused on:

- the impact of general elections in the UK and upcoming US presidential election; and
- disease outbreaks, specifically Avian Flu in the US.

Changes to principal risk names
We have changed the principal risk name of the following risks to better reflect the nature of the risks as follows:

- Capturing value through acquisitions was renamed to Capturing value through Corporate Transactions to cover all M&A activity, investments, or divestments; and
- Sustainability to climate change to reflect the focus on climate-related impacts.

In reviewing our principal risks, we have made the following changes to better reflect the evolving risk landscape. We increased three risks:

- Developing Products with Competitive Advantage, to reflect the increased bovine market consolidation and competition for elite genetics;
- Hiring and Retaining Talented People reflecting the global economic challenges and the fight for talent, and our ABS Value Acceleration programme and the impact of significant change for the organisation; and
- Cyber Security to the reflect the increased risk attributed to the rapid development and use of Artificial Intelligence by malicious actors.

We decreased our Protecting IP to reflect our strong process of protecting our IP, supported by the settlement of a long-term dispute with STgenetic.

From our broad risk universe, we have identified 11 principal risks, which we regularly evaluate based on an assessment of the likelihood of occurrence and the magnitude of potential impact, together with the effectiveness of our risk mitigation controls.

RISK	RISK DESCRIPTION	HOW WE MANAGE RISK	RISK CHANGE IN FY24
Strategic Risks			
DEVELOPING PRODUCTS WITH COMPETITIVE ADVANTAGE	• **Development programmes fail to produce best genetics for customers.** • **Increased competition to secure elite genetics.**	Dedicated teams align our product development to customer requirements. We use large-scale data and advanced genomic analysis to make sure we meet our breeding goals. We frequently measure our performance against competitors in customers' systems, to ensure the value added by our genetics remains competitive. We also partner with universities and other bodies to further our developments. This includes the life cycle assessments being undertaken for our porcine and bovine genetics to demonstrate the value of our products.	Increased. Bovine market consolidation, competition, and downturn has put pressure on maintaining our genetic lead. However, our analysis and benchmarking continue to support the competitiveness of our genetic improvements in porcine, demonstrated by new royalty customers in China.
CONTINUING TO SUCCESSFULLY DEVELOP INTELLIGEN TECHNOLOGY	• **Failure to manage the technical, production and financial risks associated with the continued advancement of the IntelliGen business.**	Our continued advancement of the technology and its deployment to new markets and customers is supported by dedicated internal resources and agreements with suppliers. We work with key customers on technological and performance improvements and to ensure optimum performance we provide maintenance and specialist training to our customers and continuously monitor productivity.	No Change. We have improved our technology, expanded the number of machines and our customer base this year and maintain optimal performance. This year we concluded a long-term patent dispute with STgenetics, bringing the case to a close.
DEVELOPING AND COMMERCIALISING GENE EDITING AND OTHER NEW TECHNOLOGIES	• **Failure to develop successfully and commercialise gene editing technologies due to technical, intellectual property ('IP'), market, regulatory or financial barriers.** • **Competitors secure 'game- changing' new technology.** • **Consumer acceptance of gene edited proteins.**	We stay aware of new technology opportunities through a wide network of academic and industry contacts. Our Genus Portfolio Steering Committee oversees our research, ensures we correctly prioritise our R&D investments and assesses the adequacy of resources and the relevant IP landscapes. We have formal collaboration agreements with key partners, to ensure responsible exploration and development of technologies and the protection of IP. The Board is updated regularly on key development projects.	No Change. Key initiatives continue to progress through the R&D life cycle, which includes the commercial viability of the product with the businesses, and we maintain the high level of investment needed to bring the end products to market. We work closely with regulators to make sure our products meet exacting standards. We are actively working with the US FDA to obtain regulatory approval for our PRRSv-resistant pigs (PRP) in 2025.
CAPTURING VALUE COPORATE TRANSACTIONS	• **Failure to identify appropriate investment, merger, and divestment opportunities or to perform sound due diligence.** • **Failure to successfully integrate an acquired business.**	We have a rigorous process to evaluate market opportunities aligned with our strategic plans, Values, and our aim to accelerate growth and create value for our shareholders, with all material projects being reviewed and approved by the Board. We also have a structured post-acquisition integration process focused on maximising value.	No Change. This year we acquired the remaining shares of Xelect, our aquaculture business in Scotland and have integrated it into our operations.
SUCCEEDING IN GROWTH MARKETS	• **Failure to appropriately develop our business in China and other growth markets.**	Our organisation blends local and expatriate executives, supported by the global species teams, to allow us to grow our business in key markets, while managing risks and ensuring we comply with our global standards and comply with sanctions. We also establish local partnerships where appropriate, to increase market access.	No change. The ongoing global macroeconomic conditions, continuing conflicts with Russia-Ukraine and Israel-Palestine continue to limit growth opportunities. However, in the second half of the year we have gained new royalty customers in China, a sign of our competitive porcine products. We are also exploring opportunities in Southeast Asia. The risks to our business in Russia are described in note 4.

RISK	RISK DESCRIPTION	HOW WE MANAGE RISK	RISK CHANGE IN FY24

Strategic Risks continued

CLIMATE CHANGE	• **Failure to lead the market in efficient and sustainable animal protein production and help our customers to meet the challenge of producing meat and milk the same way as climate change increases demand to reduce carbon emissions.** • **Failure to fulfil our commitment to reduce the environmental impact of our own operations and implement our Climate Change Policy and TCFD reporting.**	We have a global sustainability strategy and Climate Change Policy that are approved, and regularly reviewed, at Board level. Our Sustainability Committee oversees the implementation of the strategy and the annual objective setting process as well as monitoring progress using key performance indicators and our sustainability risk register. We have developed our 2030 emissions reduction plan (and 2050 net zero plan) and developed quantifiable, robust performance indicators in relation to life cycle carbon reduction (per generation) of pigs, beef and dairy cows.	No Change. There is increasing regulation and demand for transparency and accuracy of reporting on sustainability targets. We continue to develop our reporting capability to enable better accuracy. There is an increase in carbon cost and a notable change in more frequent weather-related events across the globe. Our carbon reduction plans are on track to meet our 2030 goals and we have achieved a significant reduction in our intensity measures since 2019.

Operational Risks

PROTECTING IP	• **Failure to protect our IP could mean Genus-developed genetic material, methods, systems and technology become freely available to third parties.**	We have a global, cross-functional process to identify and protect our IP. Our customer contracts and our selection of multipliers and joint venture partners include appropriate measures to protect our IP. We maintain IP appropriate landscape watches and where necessary conduct robust 'freedom to operate' searches, to identify third-party rights to technology.	Decreased. We continue actively to protect our IP by filing patents attributed to our R&D activity. This year we concluded a long-term patent dispute with STgenetics.
ENSURING BIOSECURITY AND CONTINUITY OF SUPPLY	• **Loss of key livestock, owing to disease outbreak.** • **Loss of ability to move animals or semen freely (including across borders) due to disease outbreak, environmental incident or international trade sanctions and disputes.** • **Lower demand for our products, due to industry-wide disease outbreaks.**	We have stringent biosecurity standards, with independent reviews throughout the year to ensure compliance. We investigate biosecurity incidents, to ensure learning across the organisation. We regularly review the geographical diversity of our production facilities, to avoid over-reliance on single sites.	No change. There continue to be global supply chain challenges driven by the current economic climate, increased trade sanctions, disease outbreaks and the continued spread of ASF, especially in China.
HIRING AND RETAINING TALENTED PEOPLE	• **Failure to attract, recruit, develop and retain the global talent needed to deliver our growth plans and R&D programmes.**	We have a robust talent and succession planning process, including annual assessments of our global talent pool and active leadership development programmes. The Group's reward and remuneration policies are reviewed regularly, to ensure their market competitiveness, and we have a long-term retention incentive scheme. We work closely with several specialist recruitment agencies, to identify candidates with the skills we need.	Increased. The global economic challenges, the fight for talent, and our ABS Value Acceleration Programme increase the risk of employee turnover. However we have been able to attract and promote key talent to critical leadership roles for our ABS and PIC businesses.

RISK	RISK DESCRIPTION	HOW WE MANAGE RISK	RISK CHANGE IN FY24

Operational Risks continued

RISK	RISK DESCRIPTION	HOW WE MANAGE RISK	RISK CHANGE IN FY24
CYBER SECURITY	• **Failure to adequately detect and mitigate a malicious cyber-attack by internal or external activists and the ability to quickly recover.** • **Failure to properly protect our data and systems from an attack.**	We utilise a flexible multi-layered approach that focuses on employee awareness and training, policies, software, and a third-party 24/7 monitoring Security Operations Centre and follow ISO 27001 standards [and have cyber security insurance]. We continue to improve our systems and data backup procedures and harden our servers to further strengthen our resilience and have a programme focused on continuous cyber security improvements. We have entered our final phase of our GenusOne programme which further strengthens our operational controls and IT security as we move to the cloud.	Increased. The rapid development and use of Artificial Intelligence by malicious actors increases the intensity and frequency for attacks to occur. To mitigate these risks, we partner with our third-party Security Operations Centre to alert us of potential attacks, employ continuous employee awareness training, and have robust policies in place to mitigate any IT security incidents.

Financial Risks

RISK	RISK DESCRIPTION	HOW WE MANAGE RISK	RISK CHANGE IN FY24
MANAGING AGRICULTURAL MARKET AND COMMODITY PRICES VOLATILITY	• **Fluctuations in agricultural markets affect customer profitability and therefore demand for our products and services.** • **Increase in our operating costs due to commodity pricing volatility.** • **Longer-term influence of climate factors on the cost and availability of agricultural inputs (animal feed).** • **Geopolitical tensions and on-going conflicts in Russia-Ukraine, and the Middle East impacts agricultural markets.**	We continuously monitor markets and seek to balance our costs and resources in response to market demand. We actively monitor and update our hedging strategy to manage our exposure. Our porcine royalty model and extensive use of third-party multipliers mitigates the impact of cyclical price and/or cost changes in pig production.	No Change. There continues to be slow economic recovery and global inflationary pressures have eased but cost pressures remain. Agricultural input prices are stabilising or reducing for producers in many of our markets. China has seen a small increase in pig prices and a reduction of input costs

GROUP INCOME STATEMENT
For the year ended 30 June 2024

	Note	2024 £m	2023 £m
REVENUE	3	**668.8**	689.7
Adjusted operating profit	3	**67.0**	74.6
Adjusting items:			
– Net IAS 41 valuation movement on biological assets	11	**(23.2)**	(16.9)
– Amortisation of acquired intangible assets	10	**(5.8)**	(7.7)
– Share-based payment expense		**(7.0)**	(6.0)
		(36.0)	(30.6)
Exceptional items (net)	4	**(24.6)**	(3.5)
Total adjusting items		**(60.6)**	(34.1)
OPERATING PROFIT		**6.4**	40.5
Share of post-tax profit of joint ventures and associates retained	13	**19.1**	10.5
Other gains and losses	5	**(1.7)**	2.7
Finance costs	6	**(22.2)**	(15.4)
Finance income	6	**3.9**	1.1
PROFIT BEFORE TAX		**5.5**	39.4
Taxation	7	**(3.1)**	(7.6)
PROFIT FOR THE YEAR		**2.4**	31.8
ATTRIBUTABLE TO:			
Owners of the Company		**7.9**	33.3
Non-controlling interest		**(5.5)**	(1.5)
		2.4	31.8
EARNINGS PER SHARE			
Basic earnings per share	8	**12.0p**	50.8p
Diluted earnings per share	8	**11.9p**	50.5p

	Note	2024 £m	2023 £m
Alternative Performance Measures			
Adjusted operating profit		**67.0**	74.6
Adjusted operating loss attributable to non-controlling interest		**0.9**	0.4
Pre-tax share of profits from joint ventures and associates excluding net IAS 41 valuation movement		**10.2**	10.8
Adjusted operating profit including joint ventures and associates		**78.1**	85.8
Net finance costs	6	**(18.3)**	(14.3)
Adjusted profit before tax		**59.8**	71.5
Adjusted earnings per share			
Basic adjusted earnings per share	8	**65.5p**	84.8p
Diluted adjusted earnings per share	8	**65.0p**	84.2p

Adjusted results are the Alternative Performance Measures (‘APMs’) used by the Board to monitor underlying performance at a Group and operating segment level, which are applied consistently throughout. These APMs should be considered in addition to statutory measures, and not as a substitute for or as superior to them. For more information on APMs, see APM Glossary.

GROUP STATEMENT OF COMPREHENSIVE INCOME
For the year ended 30 June 2024

	Note	2024 £m	2024 £m	2023 £m	2023 £m
PROFIT FOR THE YEAR			**2.4**		31.8
Items that may be reclassified subsequently to profit or loss					
Foreign exchange translation differences		**(16.0)**		(27.2)	
Fair value movement on net investment hedges		**0.4**		–	
Fair value movement on cash flow hedges		**(1.6)**		0.8	
Tax relating to components of other comprehensive expense/(income)		**(0.1)**		3.1	
			(17.3)		(23.3)
Items that may not be reclassified subsequently to profit or loss					
Actuarial loss on retirement benefit obligations	18	**(6.0)**		(40.4)	
Movement on pension asset recognition restriction	18	**3.9**		38.3	
Release of additional pension liability	18	**2.1**		3.0	
(Loss)/gain on equity instruments measured at fair value		**(2.8)**		1.7	
Tax relating to components of other comprehensive expense/(income)		**(0.1)**		(1.2)	
			(2.9)		1.4
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR			**(20.2)**		(21.9)
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR			**(17.8)**		9.9
ATTRIBUTABLE TO:					
Owners of the Company		**(12.3)**		11.1	
Non-controlling interest		**(5.5)**		(1.2)	
			(17.8)		9.9

GROUP STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2024

	Note	Called up share capital £m	Share premium account £m	Own shares £m	Trans-lation reserve £m	Hedging reserve £m	Retained earnings £m	Total £m	Non-controlling interest £m	Total equity £m
BALANCE AT 30 June 2022		6.6	179.1	(0.1)	50.9	1.4	340.6	578.5	(6.4)	572.1
Foreign exchange translation differences, net of tax		–	–	–	(24.2)	–	–	(24.2)	0.3	(23.9)
Fair value movement on net investment hedges, net of tax		–	–	–	–	–	–	–	–	–
Fair value movement on cash flow hedges, net of tax		–	–	–	–	0.6	–	0.6	–	0.6
Gain on equity instruments measured at fair value, net of tax		–	–	–	–	–	0.7	0.7	–	0.7
Actuarial loss on retirement benefit obligations, net of tax		–	–	–	–	–	(30.3)	(30.3)	–	(30.3)
Movement on pension asset recognition restriction, net of tax		–	–	–	–	–	28.7	28.7	–	28.7
Recognition of additional pension liability, net of tax		–	–	–	–	–	2.3	2.3	–	2.3
Other comprehensive (expense)/income for the year		–	–	–	(24.2)	0.6	1.4	(22.2)	0.3	(21.9)
Profit/(loss) for the year		–	–	–	–	–	33.3	33.3	(1.5)	31.8
Total comprehensive income/(expense) for the year		–	–	–	(24.2)	0.6	34.7	11.1	(1.2)	9.9
Recognition of share-based payments, net of tax		–	–	–	–	–	6.3	6.3	–	6.3
Dividends	9	–	–	–	–	–	(21.0)	(21.0)	–	(21.0)
Adjustment arising from change in non-controlling interest and written put option		–	–	–	–	–	–	–	(0.1)	(0.1)
BALANCE AT 30 June 2023		6.6	179.1	(0.1)	26.7	2.0	360.6	574.9	(7.7)	567.2
Foreign exchange translation differences, net of tax		–	–	–	**(16.6)**	–	–	**(16.6)**	–	**(16.6)**
Fair value movement on net investment hedges, net of tax		–	–	–	**0.4**	–	–	**0.4**	–	**0.4**
Fair value movement on cash flow hedges, net of tax		–	–	–	–	**(1.1)**	–	**(1.1)**	–	**(1.1)**
Loss on equity instruments measured at fair value, net of tax		–	–	–	–	–	**(2.8)**	**(2.8)**	–	**(2.8)**
Actuarial loss on retirement benefit obligations, net of tax		–	–	–	–	–	**(4.6)**	**(4.6)**	–	**(4.6)**
Movement on pension asset recognition restriction, net of tax		–	–	–	–	–	**2.9**	**2.9**	–	**2.9**
Recognition of additional pension liability, net of tax		–	–	–	–	–	**1.6**	**1.6**	–	**1.6**
Other comprehensive (expense)/income for the year		–	–	–	**(16.2)**	**(1.1)**	**(2.9)**	**(20.2)**	–	**(20.2)**
Profit/(loss) for the year		–	–	–	–	–	**7.9**	**7.9**	**(5.5)**	**2.4**
Total comprehensive income/(expense) for the year		–	–	–	**(16.2)**	**(1.1)**	**5.0**	**(12.3)**	**(5.5)**	**(17.8)**
Recognition of share-based payments, net of tax		–	–	–	–	–	**6.6**	**6.6**	–	**6.6**
Dividends	9	–	–	–	–	–	**(21.0)**	**(21.0)**	–	**(21.0)**
Adjustment arising from change in non-controlling interest and written put option		–	–	–	–	–	–	–	**8.9**	**8.9**
BALANCE AT 30 June 2024		**6.6**	**179.1**	**(0.1)**	**10.5**	**0.9**	**351.2**	**548.2**	**(4.3)**	**543.9**

GROUP BALANCE SHEET
As at 30 June 2024

	Note	**2024 £m**	2023 £m
ASSETS			
Goodwill		**110.3**	107.8
Other intangible assets	10	**65.4**	66.2
Biological assets	11	**297.4**	318.2
Property, plant and equipment	12	**182.0**	164.4
Interests in joint ventures and associates	13	**60.5**	53.5
Other investments	14	**1.1**	8.8
Derivative financial assets		**1.2**	4.9
Other receivables	16	**11.8**	8.2
Deferred tax assets		**28.1**	16.5
TOTAL NON-CURRENT ASSETS		**757.8**	748.5
Inventories	15	**57.1**	61.3
Biological assets	11	**32.3**	23.8
Trade and other receivables	16	**135.2**	132.1
Cash and cash equivalents		**42.5**	36.3
Income tax receivable		**2.1**	4.0
Derivative financial assets		**1.9**	1.5
TOTAL CURRENT ASSETS		**271.1**	259.0
TOTAL ASSETS		**1,028.9**	1,007.5
LIABILITIES			
Trade and other payables	17	**(123.2)**	(122.0)
Interest-bearing loans and borrowings		**(4.9)**	(4.2)
Provisions		**(1.0)**	(1.8)
Deferred consideration		**(0.6)**	–
Obligations under leases		**(14.0)**	(10.0)
Tax liabilities		**(5.2)**	(7.4)
Derivative financial liabilities		**(1.7)**	(1.8)
TOTAL CURRENT LIABILITIES		**(150.6)**	(147.2)
Trade and other payables	17	**(4.2)**	–
Interest-bearing loans and borrowings		**(228.2)**	(196.0)
Retirement benefit obligations	18	**(6.6)**	(6.9)
Provisions		**(0.4)**	(10.3)
Deferred consideration		**(0.2)**	(0.6)
Deferred tax liabilities		**(44.4)**	(51.2)
Derivative financial liabilities		**(6.3)**	(6.2)
Obligations under leases		**(44.1)**	(21.9)
TOTAL NON-CURRENT LIABILITIES		**(334.4)**	(293.1)
TOTAL LIABILITIES		**(485.0)**	(440.3)
NET ASSETS		**543.9**	567.2
EQUITY			
Called up share capital		**6.6**	6.6
Share premium account		**179.1**	179.1
Own shares		**(0.1)**	(0.1)
Translation reserve		**10.5**	26.7
Hedging reserve		**0.9**	2.0
Retained earnings		**351.2**	360.6
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY		**548.2**	574.9
Non-controlling interest	21	**1.2**	(2.2)
Put option over non-controlling interest	21	**(5.5)**	(5.5)
TOTAL NON-CONTROLLING INTEREST		**(4.3)**	(7.7)
TOTAL EQUITY		**543.9**	567.2

GROUP STATEMENT OF CASH FLOWS
For the year ended 30 June 2024

	Note	**2024 £m**	2023 £m
NET CASH FLOW FROM OPERATING ACTIVITIES	19	**29.8**	50.4
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividends received from joint ventures and associates	13	**4.7**	2.6
Joint venture and associate loan investment	13	**(2.2)**	(1.9)
Acquisition of joint venture and associate	13	**-**	(1.0)
Sale of other investments		**5.1**	3.4
Acquisition of Xelect Limited	22	**(2.9)**	-
Acquisition of other investments		-	(0.4)
Payment of deferred consideration		-	(0.8)
Purchase of property, plant and equipment		**(14.8)**	(25.9)
Purchase of intangible assets		**(9.9)**	(9.3)
Proceeds from sale of property, plant and equipment		**0.7**	2.4
NET CASH OUTFLOW FROM INVESTING ACTIVITIES		**(19.3)**	(30.9)
CASH FLOWS FROM FINANCING ACTIVITIES			
Drawdown of borrowings		**140.4**	126.8
Repayment of borrowings		**(108.5)**	(111.7)
Payment of lease liabilities		**(13.7)**	(11.1)
Equity dividends paid	9	**(21.0)**	(21.0)
Dividend to non-controlling interest		-	(0.1)
Debt issue costs		-	(1.1)
NET CASH OUTFLOW FROM FINANCING ACTIVITIES		**(2.8)**	(18.2)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**7.7**	1.3
Cash and cash equivalents at start of the year		**36.3**	38.8
Net increase in cash and cash equivalents		**7.7**	1.3
Effect of exchange rate fluctuations on cash and cash equivalents		**(1.5)**	(3.8)
TOTAL CASH AND CASH EQUIVALENTS AT 30 JUNE		**42.5**	36.3

NOTES TO THE GROUP FINANCIAL STATEMENTS
For the year ended 30 June 2024

1. REPORTING ENTITY

Genus plc (the 'Company') is a public company limited by shares and incorporated in England, United Kingdom under the Companies Act 2006. Its company number is 02972325 and its registered office is Matrix House, Basing View, Basingstoke, Hampshire RG21 4DZ.

The condensed financial information given does not constitute the Group's financial statements for the year ended 30 June 2024 or the year ended 30 June 2023 but is derived from those financial statements. The financial statements for the year ended 30 June 2023 have been delivered to the Registrar of Companies and those for the year ended 30 June 2024 will be delivered following the Company's annual general meeting. The auditors have reported on those financial statements; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their reports, and did not contain statements under s. 498(2) or (3) Companies Act 2006.

2. BASIS OF PREPARATION

We have prepared the condensed financial information for the year ended 30 June 2024 together with the comparative year has been computed in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 and International Financial Reporting Standards ('IFRSs'). The Group Financial Statements have also been prepared in accordance with IFRSs as issued by the IASB.

Functional and presentational currency

We present the Group Financial Statements in Sterling, which is the Company's functional and presentational currency. All financial information presented in Sterling has been rounded to the nearest £0.1m.

The principal exchange rates were as follows:

	Average			Closing		
	2024	2023	2022	**2024**	2023	2022
US Dollar/£	**1.26**	1.21	1.32	**1.27**	1.27	1.22
Euro/£	**1.17**	1.15	1.18	**1.18**	1.16	1.16
Brazilian Real/£	**6.35**	6.20	6.94	**7.07**	6.08	6.39
Mexican Peso/£	**21.69**	22.84	26.97	**23.12**	21.74	24.45
Chinese Yuan/£	**9.06**	8.44	8.55	**9.19**	9.21	8.15
Russian Rouble/£	**115.46**	86.29	98.75	**108.18**	112.79	66.73

While the condensed financial information included in this preliminary announcement has been computed in accordance with IFRSs, this announcement does not itself contain sufficient information to comply with IFRSs. The Company expects to publish full financial statements that comply with IFRSs in October 2024. These financial statements have also been prepared in accordance with the accounting policies set out in the 2023 Annual Report and Financial Statements, as amended by the following new accounting standards.

New standards and interpretations

In the current period, the Group has applied a number of amendments to IFRS issued by the International Accounting Standards Board that are mandatorily effective for an accounting period that begins after 1 January 2023 and have been implemented with effect from 1 July 2023. These are:

> Amendments to IAS 1 and IFRS Practice Statement 2 – 'Disclosure of Accounting Policies';
> Amendments to IAS 8 - ' Definition of Accounting Estimates';
> Amendments to IAS 12 – 'Amendment to IAS 12 - International tax reform'; and
> Amendments to IAS 12 – 'International Tax Reform Pillar Two Model Rules - application of the exception and disclosure of that fact'.

Their addition has not had any material impact on the disclosures, or amounts reported in the Group Financial Statements.

New standards and interpretations not yet adopted

At the date of the interim report, the following standards and interpretations which have not been applied in the report were in issue but not yet effective (and in some cases had not yet been adopted by the UK). The Group will continue to assess the impact of these amendments prior to their adoption. These are:

> IFRS S1 'General Requirements for Disclosure of Sustainability-related Financial Information';
> IFRS S2 'Climate-related Disclosures';
> Amendments to IAS 1 - ' Classification of Liabilities as Current or Non-Current';
> Amendments to IAS 7 and IFRS 7 – 'Disclosures: Supplier Finance Arrangements';
> Amendments to IAS 21 – 'Lack of Exchangeability';
> Amendments to IFRS 16- ' Lease Liability in a Sale and Leaseback';
> IFRS 18 – 'Presentation and Disclosure in Financial Statements'; and
> Amendment to IFRS 9 and IFRS 7 – 'Classification and Measurement of Financial Instruments'.

Going Concern

In the assessment of the Group's going concern and viability the Directors utilise a three-step approach focusing on a Base case, modelling a 'severe yet plausible downside' scenario and utilising reverse stress test modelling. The Board considered the budget, strategic plan alongside the Group's available finances, strategy, business model, and market outlook. The annually prepared budget and strategic plan are compiled using a bottom-up process, aggregating those prepared by PIC and ABS. The consolidated Group budget and forecasts are then reviewed by the Board and used to monitor business performance. The Strategic Plan forms management's best estimate of the future performance and position of the Group.

The Board have considered the Group's access to available financing, which consists of the following over the term of the agreement:

> June 2024 – £190m multi-currency RCF, a 170m US dollar RCF.
> from August 2024 – £208m multi-currency RCF and a 161m US dollar RCF.
> from August 2025 – £186m multi-currency RCF and a 142m US dollar RCF.

Additionally, the agreement contains an uncommitted £11m accordion option which can be requested on one further occasion over the remaining lifetime of the facility. The current facility expires in August 2026 having already exercised all extension options. The Group will to enter discussions with the banking syndicate regarding a new facility during the first half of 2025, and given the current standing of our business relationship with the syndicate we have a reasonable expectation that a new facility would be offered on appropriate terms.

In their assessment of the Group's viability, the Directors have determined that a three-year time horizon, to June 2027, is an appropriate period to adopt. This was based on the Group's visibility of its product development pipeline, for example, because of the genetic lag of approximately three years between the porcine nucleus herds and customers' production systems and the pipeline of young bulls.

Our downside modelling has incorporated the Directors' assessment of events that could occur in a 'severe yet plausible downside' scenario. The risks modelled are linked to the 'Principial Risks and Uncertainties' described above.

The most significant material risks modelled were as follows, these are consistent with the previous year:

Ensuring biosecurity and continuity of supply.
> Disease outbreaks in our Genetic Nucleus and Bull Stud farms, modelled as a one-off cash cost to clean and restock the farms.
> The impact of severe weather events impacting our global supply chain and the wider agricultural industry, modelled as a one-off cash cost.
> Loss of ability to move animals or semen freely (including across borders) due to disease outbreak, environmental incident or international trade sanctions and disputes, modelled as a multi-year cash impact resulting from increased supply costs and lost trading that cannot be replaced in the short-term.

Managing agricultural market and commodity prices volatility
> Increase in our operating costs due to commodity pricing volatility, modelled as a multi-year cash reduction.
> Geopolitical tensions and ongoing conflicts in Russia & Ukraine and the Middle East impact agricultural markets, modelled as a multi-year cash impact resulting from loss of trade.

Succeeding in growth markets
> Failure to appropriately develop our business in China and other growth markets modelled as a multi-year cash impact resulting from a reduction in the forecast growth rate in those markets.

Individually these scenarios do not result in the elimination of our facility headroom or breach of bank covenants. If multiple severe but plausible scenarios were to occur in combination the Board would be able to take mitigation measures to protect the Group in the short term. These would be realised through reductions in dividends and postponing capital spend and strategic investments. We have considered the position if each of the identified risks materialised individually and where multiple risks occur in parallel. We have overlaid this downside scenario, net of mitigations on our facility headroom and banking covenants. Under this assessment our headroom remains adequate under these sensitivities including our ability to take mitigating actions and expectation of renewing appropriate facilities.

To assess the level of headroom within our Going Concern and Viability assessment a reverse stress test was performed with the level of performance deterioration against the base case while applying the mitigations outline previously. Over the Going Concern and Viability period the smallest required reduction in forecast Adjusted Operating Profit to exceed the permissible ratio of net debt to EBITDA (as calculated under our financing facilities) would be 26%. Similarly, a one-off cash cost of an equivalent size would increase net debt and result in the same outcome. In all reverse stress scenarios, the covenant would be breached before the facility is exceed.

Based on this assessment, the Directors have a reasonable expectation that the Group has adequate resources to continue its operational existence for the foreseeable future and for a period of at least 12 months from the date of this report. Accordingly, the Directors continue to adopt and consider appropriate the going concern basis in preparing the Annual Report. Also, based on this assessment, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the viability period to 30 June 2027, subject to the credit facility being renewed. There are no indications from this assessment that change this expectation when looking beyond 30 June 2027 at the Group's longer-term prospects.

Alternative Performance Measures ('APMs')

In reporting financial information, the Group presents APMs, which are not defined or specified under the requirements of IFRS and which are not considered to be a substitute for, or superior to, IFRS measures.

The Group believes that these APMs provide stakeholders with additional helpful information on the performance of the business. The APMs are consistent with how we plan our business performance and report on it in our internal management reporting to the Board and GELT. Some of these measures are also used for the purpose of setting remuneration targets.

For a full list of all APMs please see the Alternative Performance Measures glossary.

Change of reportable segments

During the year, management determined that product development revenues, costs and attributable assets and liabilities are more accurately presented as part of each trading unit's profit and loss account. This adjustment aligns our external reporting with our internal reporting structure, reflecting how the performance of the trading units is assessed and managed. As a result, the prior periods comparatives in note 3 have been restated to reflect the change.

Revenue	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Genus PIC	349.5	18.6	368.1
Genus ABS	318.8	2.8	321.6

Genus Research and Development			
Porcine product development	18.5	(18.5)	–
Bovine product development	2.8	(2.8)	–
Gene editing	0.1	(0.1)	–
Other research and development	–		–
	21.4	(21.4)	–
	689.7	–	689.7

Adjusted operating profit	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Genus PIC	135.0	(36.6)	98.4
Genus ABS	43.4	(25.6)	17.8
Genus Research and Development			
Porcine product development	(29.7)	29.7	–
Bovine product development	(25.6)	25.6	–
Gene editing	(14.3)	6.9	(7.4)
Other research and development	(17.4)	–	(17.4)
	(87.0)	62.2	(24.8)
Adjusted segment operating profit	91.4	–	91.4
Central	(16.8)	–	(16.8)
Adjusted operating profit	74.6	–	74.6

Depreciation	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Genus PIC	5.0	4.9	9.9
Genus ABS	16.0	1.7	17.7
Genus Research and Development			
Research	1.3	(0.4)	0.9
Porcine product development	4.5	(4.5)	–
Bovine product development	1.7	(1.7)	–
	7.5	(6.6)	0.9
Segment total	28.5	–	28.5
Central	1.7	–	1.7
Total	30.2	–	30.2

Amortisation	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Genus PIC	6.8	–	6.8
Genus ABS	4.4	0.4	4.8
Genus Research and Development			
Research	–	–	–
Porcine product development	–	–	–
Bovine product development	0.4	(0.4)	–
	0.4	(0.4)	–
Segment total	11.6	–	11.6
Central	1.8	–	1.8
Total	13.4	–	13.4

Additions to non-current assets (excluding deferred taxation and financial instruments)	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Genus PIC	6.8	2.2	9.0
Genus ABS	21.8	4.9	26.7
Genus Research and Development			
Research	1.6	(1.0)	0.6
Porcine product development	1.2	(1.2)	–
Bovine product development	4.9	(4.9)	–
	7.7	(7.1)	0.6
Segment total	36.3	–	36.3
Central	7.0	–	7.0
Total	43.3	–	43.3

Segment assets	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Genus PIC	265.4	269.9	535.3
Genus ABS	281.7	126.5	408.2
Genus Research and Development			
Research	11.4	(2.3)	9.1
Porcine product development	269.1	(269.1)	–
Bovine product development	125.0	(125.0)	–
	405.5	(396.4)	9.1
Segment total	952.6	–	952.6
Central	54.9	–	54.9
Total	1,007.5	–	1,007.5

Segment liabilities	(As previously reported) Year ended 30 June 2023 £m	Impact of restatement £m	(restated) Year ended 30 June 2023 £m
Genus PIC	(66.0)	(55.6)	(121.6)
Genus ABS	(72.5)	(21.3)	(93.8)
Genus Research and Development			
Research	(4.5)	2.0	(2.5)
Porcine product development	(55.3)	55.3	–
Bovine product development	(19.6)	19.6	–
	(79.4)	76.9	(2.5)
Segment total	(217.9)	–	(217.9)
Central	(222.4)	–	(222.4)
Total	(440.3)	–	(440.3)

Climate change

In preparing these consolidated financial statements we have considered the impact of both physical and transition climate change risks on the current valuation of our assets and liabilities. We do not believe that there is a material impact on the financial reporting judgements and estimates arising from our considerations and as a result the valuations of our assets or liabilities have not been significantly impacted by these risks as at 30 June 2024. In concluding, we specifically considered the impact of climate change on the growth rates and projected cash flows as part of our goodwill impairment testing. As government policies evolve as a result of commitments to limit global warming to 1.5°C, we will continue to monitor implications on the valuations of our assets and liabilities that could arise in future years.

Approval

This preliminary announcement was approved by the board on 4 September 2024.

3. SEGMENTAL INFORMATION

IFRS 8 ‘Operating Segments’ requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Executive and the Board, to allocate resources to the segments and to assess their performance. The Group’s operating and reporting structure comprises three operating segments: Genus PIC, Genus ABS and Genus Research and Development. These segments are the basis on which the Group reports its segmental information. The principal activities of each segment are as follows:
Genus PIC – our global porcine sales business;
Genus ABS – our global bovine sales business; and
Genus Research and Development – our global spend on research and development.

A segmental analysis of revenue, operating profit, depreciation, amortisation, non-current asset additions, segment assets and liabilities and geographical information is provided below. We do not include our adjusting items in the segments, as we believe these do not reflect the underlying performance of the segments. The accounting policies of the reportable segments are the same as the Group’s accounting policies, as described in the Financial Statements.

Revenue	2024 £m	(restated[1]) 2023 £m
Genus PIC	**352.5**	368.1
Genus ABS	**314.9**	321.6
Central	**1.4**	–
	668.8	689.7

1 See note 2 for details of the prior period restatement.

Adjusted operating profit by segment is set out below and reconciled to the Group’s adjusted operating profit. A reconciliation of adjusted operating profit to profit for the year is shown on the face of the Group Income Statement.

Adjusted operating profit	2024 £m	(restated[1]) 2023 £m
Genus PIC	**93.8**	98.4
Genus ABS	**12.7**	17.8
Genus Research and Development	**(21.8)**	(24.8)
Adjusted segment operating profit	**84.7**	91.4
Central	**(17.7)**	(16.8)
Adjusted operating profit	**67.0**	74.6

1 See note 2 for details of the prior period restatement.

Our business is not highly seasonal and our customer base is diversified, with no individual customer generating more than 2% of revenue.

Exceptional items of £24.6m net expense (2023: £3.5m net expense). Genus ABS, £16.4m net expense (2023: £2.7m net expense), Genus PIC, £0.6m expense (2023: £nil), Genus Research and Development £0.7m expense (2023: £nil) and our central segment, £6.9m net expense (2023: £0.8m net expense). Note 4 provides details of these exceptional items.

We consider share-based payment expenses on a Group-wide basis and do not allocate them to reportable segments.

Other segmental information

	Depreciation		Amortisation		Additions to non-current assets (excluding deferred taxation and financial instruments)	
	2024 £m	(restated[1]) 2023 £m	2024 £m	(restated[1]) 2023 £m	2024 £m	(restated[1]) 2023 £m
Genus PIC	**14.1**	9.9	**4.8**	6.8	**41.8**	9.0
Genus ABS	**18.0**	17.7	**5.0**	4.8	**20.0**	26.7
Genus Research and Development	**0.9**	0.9	–	–	**0.4**	0.6
Segment total	**33.0**	28.5	**9.8**	11.6	**62.2**	36.3
Central	**1.7**	1.7	**2.5**	1.8	**12.5**	7.0
Total	**34.7**	30.2	**12.3**	13.4	**74.7**	43.3

	Segment assets		Segment liabilities	
	2024 £m	(restated[1]) 2023 £m	2024 £m	(restated[1]) 2023 £m
Genus PIC	**591.7**	535.3	**(157.0)**	(121.6)
Genus ABS	**363.9**	408.2	**(50.9)**	(93.8)
Genus Research and Development	**6.7**	9.1	**(3.7)**	(2.5)
Segment total	**962.3**	952.6	**(211.6)**	(217.9)
Central	**66.6**	54.9	**(273.4)**	(222.4)
Total	**1,028.9**	1,007.5	**(485.0)**	(440.3)

1 See note 2 for details of the prior period restatement.

Geographical information
The Group's revenue by geographical segment is analysed below. This analysis is stated on the basis of where the customer is located.

Revenue

	2024 £m	2023 £m
North America	**263.5**	288.5
Latin America	**109.9**	105.6
UK	**92.3**	93.1
Rest of Europe, Middle East, Russia and Africa	**114.8**	109.6
Asia	**88.3**	92.9
Total revenue	**668.8**	689.7

Non-current assets (excluding deferred taxation and financial instruments)
The Group's non-current assets by geographical segment are analysed below and are stated on the basis of where the assets are located.

	2024 £m	2023 £m
North America	**482.8**	508.6
Latin America	**75.5**	69.6
UK	**70.1**	71.5
Rest of Europe, Middle East, Russia and Africa	**45.4**	43.8
Asia	**54.7**	33.6
Non-current assets (excluding deferred taxation and financial instruments)	**728.5**	727.1

4. EXCEPTIONAL ITEMS

Operating (expense)/credit	2024 £m	2023 £m
Litigation	**(10.4)**	(4.5)
Corporate transactions	**(7.4)**	(0.4)
ABS restructuring	**(6.0)**	1.7
R&D restructuring	**(0.7)**	–
Other	**(0.1)**	(0.3)
Net exceptional items	**(24.6)**	(3.5)

Litigation
Litigation includes legal fees, settlement and related costs of £10.4m (2023: £4.5m) related to the actions between ABS Global, Inc. and certain affiliates ('ABS') and Inguran, LLC and certain affiliates (also known as STgenetics ('ST')).

Material litigation activities to 31 August 2024
In July 2014, ABS launched a legal action against ST in the US District Court for the Western District of Wisconsin and initiated anti-trust proceedings, which ultimately enabled the launch of ABS's IntelliGen sexing technology in the US market ('ABS I'). In June 2017, ST filed proceedings against ABS in the same District Court, where ST alleged that ABS infringed seven patents and asserted trade secret and breach of contract claims ('ABS II'). On 29 January 2020, ST filed a new US complaint against ABS in the same court ('ABS III').

On 10 March 2020, the United States Patent and Trademark Office ('USPTO') issued patent 10,583,439 (the ''439 patent'), and subsequently ST asked the court for permission to file a supplemental complaint in ABS III asserting infringement of the '439 patent. On 15 April 2020, ST filed a new complaint ('ABS IV'), asserting the same claim of infringement of the '439 patent alleged in its supplemental complaint and then moved to consolidate the ABS IV and ABS III litigation. The ABS I, ABS II, ABS III and ABS IV proceedings in the periods before the year ended 30 June 2023 are more fully described in the Notes to the Financial Statements in previous Annual Reports.

On 26 October 2020, ABS filed Inter Partes Reviews ('IPR') against the '439 with the USPTO. On 4 May 2021, the Patent Trial and Appeal Board ('PTAB') instituted the '439 patent IPR, and on 28 April 2022, PTAB issued its decision and declined to invalidate the claims of the '439 patent. ABS has appealed the '439 patent decision (the ''439 Appeal').

On 20 December 2021, the Wisconsin Federal Court reached a decision on certain ABS III and ABS IV motions. In relation to ABS III, the court dismissed ABS III litigation in its entirety and ST appealed certain aspects of the decision (the 'ABS III Appeal').

On 1 July 2022, the court reached a decision on the ABS II post-judgment motions as well as the pending motions in ABS IV. The court followed the jury decision in ABS II, and in relation to ABS IV, the Court denied ABS's motion to dismiss the patent claims. Appeals were filed by ABS on the validity of the 8,206,987 patent (the '987 Appeal'), the 7,311,476, patent and the 7,611,309 patent (the 'ABS II Appeal') and ST appealed the award of the $5.3m in costs (the 'Fee Award Appeal').

On 27 December 2022, ABS and ST settled the 987 Appeal, the Fee Award Appeal and the Indian Patent Proceedings (see below).

On 5 July 2023, the Court of Appeals accepted ST's arguments in the ABS III Appeal in relation to claim preclusion for technology transfer. The ABS III and ABS IV litigations were then consolidated, and the hearing moved to 31 March 2025.

On 19 October 2023, the Court of Appeals for the Federal Circuit overturned PTAB's decision in the 439 Appeal and found the independent claims of the '439 patent unpatentable. The Court of Appeals vacated PTAB's decision and remanded the decision back to the Board for further consideration.

On 11 January 2024, a settlement agreement relating to the '439 Appeal, the ABS II Appeal, the ABS III/IV litigation and the New Zealand Litigation (see below) was agreed between the parties and each of these matters were discontinued. Other than the details given in note 17, the terms of the settlement agreement are confidential. The CCI Appeal remains ongoing between the parties (see below).

Indian Litigation: In September 2019, ST also filed parallel patent infringement proceedings against ABS in India, alleging infringement of the Indian patent 240790 (''790 patent'). The '790 patent is the equivalent of the US '476, '309 patents and US patent 7,311,476 asserted in ABS II (the 'Indian Patent Proceedings'). In June 2021, ST appealed the decision of the Competition Commission of India ('CCI') which had confirmed that ABS India had not breached the Indian Competition Act in relation to its participation in a sexed semen tender offered by the Uttar Pradesh Livestock Development Board (the 'CCI Appeal').

New Zealand Litigation: On 14 June 2023, ST initiated proceedings against ABS, Genus, ABS Genus (NZ) Limited, CRV International BV and CRV Limited in New Zealand, alleging patent infringement and seeking a preliminary injunction. ABS sought a stay of the New Zealand Litigation while the US courts consider whether the settlement agreement between ABS and ST dated 27 December 2022 precludes the New Zealand Litigation. The hearing of the ABS's stay application and ST's preliminary injunction application was on 27 November 2023 and on 14 December 2023, the New Zealand Court awarded the ST parties the interim injunction for a limited three month period to 30 March 2024 and dismissed the ABS stay application.

Corporate transactions
During the year, £7.4m of exceptional cost was incurred, primarily in relation to potential corporate transactions which are no longer active.

ABS restructuring
As part of an ongoing strategic global Value Acceleration Programme, significant one-off expenses in relation to £3.0m of staff redundancies, £1.1m relating to fixed asset and inventory write downs were incurred and £1.9m consultancy fees.

R&D restructuring
As part of an ongoing strategic review of Research and Development, significant one-off expenses in relation to £0.7m of staff redundancies were incurred.

Other
Included with other is £0.6m expense that relates to costs of repairing extensive weather damage to part of our elite porcine farm in Canada, offset by £0.6m credit resulting from a share forfeiture exercise.

5. OTHER GAINS AND LOSSES
Included with other gains and losses is a £2.1m loss on the mark to market valuation ('MTM') in relation to £60m of SONIA interest rate swaps executed in April 2023. Whilst the interest rate swaps are a perfect commercial hedge of a similar amount of our GBP borrowings for at least a three-year period, as the executing banks have a written option at the three-year point to unilaterally terminate the swaps at no cost, the transaction does not qualify for hedge accounting treatment. Accordingly the MTM gain on the valuation of these swaps as at 30 June 2024 is recognised in the Group Income Statement. Also included is a £0.4m release of contingent deferred consideration in relation to Dairy LLC ('BoviSync').

	2024 £m	2023 £m
Release of contingent deferred consideration	**0.4**	-
(Loss)/gain on derivative	**(2.1)**	2.7
Other gains and losses	**(1.7)**	2.7

6. NET FINANCE COSTS

	2024 £m	2023 £m
Interest payable on bank loans and overdrafts	**(17.8)**	(12.3)
Amortisation of debt issue costs	**(0.9)**	(1.1)
Other interest payable	**(0.2)**	(0.3)
Unwinding of discount on put options	**(0.2)**	(0.3)
Net interest cost in respect of pension scheme liabilities	**(0.3)**	(0.2)
Interest on lease liabilities	**(2.8)**	(1.2)
Total interest expense	**(22.2)**	(15.4)
Interest income on bank deposits	**0.6**	0.1
Net interest income on derivative financial instruments	**3.3**	1.0
Total interest income	**3.9**	1.1
Net finance costs	**(18.3)**	(14.3)

7. TAXATION AND DEFERRED TAXATION

Income tax expense

	2024 £m	2023 £m
Current tax expense		
Current period	**20.3**	20.6
Adjustment for prior periods	**1.3**	0.9
Total current tax expense in the Group Income Statement	**21.6**	21.5
Deferred tax expense		
Origination and reversal of temporary differences	**(14.0)**	(9.2)
Adjustment for prior periods	**(4.5)**	(4.7)
Total deferred tax credit in the Group Income Statement	**(18.5)**	(13.9)
Total income tax expense excluding share of income tax of equity-accounted investees	**3.1**	7.6
Share of income tax of equity-accounted investees (see note 13)	**5.7**	3.9
Total income tax expense in the Group Income Statement	**8.8**	11.5

Reconciliation of effective tax rate

	2024 %	2024 £m	2023 %	2023 £m
Profit before tax		**5.5**		39.4
Add back share of income tax of equity-accounted investees		**5.7**		3.9
Profit before tax excluding share of income tax of equity-accounted investees		**11.2**		43.3
Income tax at UK corporation tax of 25.0% (2023: 20.5%)	**25.0**	**2.8**	20.5	8.9
Effect of tax rates in foreign jurisdictions	**46.4**	**5.2**	13.6	5.9
Non-deductible expenses	**51.8**	**5.8**	6.7	2.9
Tax exempt income and incentives	**(17.9)**	**(2.0)**	(3.0)	(1.3)
Change in tax rate	**1.8**	**0.2**	(1.2)	(0.5)
Movements in recognition of tax losses	**(8.0)**	**(0.9)**	(5.0)	(2.2)
Change in unrecognised temporary differences	**27.7**	**3.1**	(7.8)	(3.4)
Tax over/(under) provided in prior periods	**(28.5)**	**(3.2)**	1.8	0.8
Change in provisions	**(15.2)**	**(1.7)**	0.5	0.2
Tax on undistributed reserves	**(4.5)**	**(0.5)**	0.5	0.2
Total income tax expense in the Group Income Statement	**78.6**	**8.8**	26.6	11.5

8. EARNINGS PER SHARE

Basic earnings per share is the profit generated for the financial year attributable to equity shareholders, divided by the weighted average number of shares in issue during the year.

Basic earnings per share from continuing operations

	2024 (pence)	2023 (pence)
Basic earnings per share	**12.0**	50.8

The calculation of basic earnings per share from continuing operations is based on the net profit attributable to owners of the Company from continuing operations of £7.9m (2023: £33.3m) and a weighted average number of ordinary shares outstanding of 65,686,000 (2023: 65,557,000), which is calculated as follows:

Weighted average number of ordinary shares (basic)

	2024 000s	2023 000s
Issued ordinary shares at the start of the year	**66,027**	65,774
Effect of own shares held	**(345)**	(468)
Shares issued on exercise of stock options and share incentive plans	**4**	1
Shares issued in relation to Employee Benefit Trust	–	250
Weighted average number of ordinary shares in year	**65,686**	65,557

Diluted earnings per share from continuing operations

	2024 (pence)	2023 (pence)
Diluted earnings per share	**11.9**	50.5

The calculation of diluted earnings per share from continuing operations is based on the net profit attributable to owners of the Company from continuing operations of £7.9m (2023: £33.3m) and a weighted average number of ordinary shares outstanding, after adjusting for the effects of all potential dilutive ordinary shares, of 66,174,000 (2023: 65,998,000), which is calculated as follows:

Weighted average number of ordinary shares (diluted)

	2024 000s	2023 000s
Weighted average number of ordinary shares (basic)	**65,686**	65,557
Dilutive effect of share awards and options	**488**	441
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**66,174**	65,998

Adjusted earnings per share from continuing operations

	2024 (pence)	2023 (pence)
Adjusted earnings per share	**65.5**	84.8
Diluted adjusted earnings per share	**65.0**	84.2

Adjusted earnings per share is calculated on profit before the net IAS 41 valuation movement on biological assets, amortisation of acquired intangible assets, share-based payment expense, other gains and losses and exceptional items, after charging taxation associated with those profits, of £43.0m (2023: £55.6m), which is calculated as follows:

	2024 £m	2023 £m
Profit before tax from continuing operations	**5.5**	39.4
Add/(deduct):		
Net IAS 41 valuation movement on biological assets (see note 11)	**23.2**	16.9
Amortisation of acquired intangible assets (see note 10)	**5.8**	7.7
Share-based payment expense	**7.0**	6.0
Exceptional items (see note 4)	**24.6**	3.5
Other gains and losses (see note 5)	**1.7**	(2.7)
Net IAS 41 valuation movement on biological assets in joint ventures (see note 13)	**(14.6)**	(3.6)
Tax on joint ventures and associates (see note 13)	**5.7**	3.9
Attributable to non-controlling interest	**0.9**	0.4
Adjusted profit before tax	**59.8**	71.5
Adjusted tax charge	**(16.8)**	(15.9)
Adjusted profit after tax	**43.0**	55.6
Effective tax rate on adjusted profit	**28.1%**	22.2%

9. DIVIDENDS

Dividends are one type of shareholder return, historically paid to our shareholders in late November/early December and late March.

Amounts recognised as distributions to equity holders in the year

	2024 £m	2023 £m
Final dividend		
Final dividend for the year ended 30 June 2023 of 21.7 pence per share	**14.3**	–
Final dividend for the year ended 30 June 2022 of 21.7 pence per share	**–**	14.3
Interim dividend		
Interim dividend for the year ended 30 June 2024 of 10.3 pence per share	**6.7**	–
Interim dividend for the year ended 30 June 2023 of 10.3 pence per share	**–**	6.7
Total dividend	**21.0**	21.0

The Directors have proposed a final dividend of 21.7 pence per share for 2024. This is subject to shareholders' approval at the AGM and we have therefore not included it as a liability in these Financial Statements. The total proposed and paid dividend for year ended 30 June 2024 is 32.0 pence per share (2023: 32.0 pence per share).

10. INTANGIBLE ASSETS

	Porcine and bovine genetics technology £m	Brands, multiplier contracts and customer relationships £m	Separately identified acquired intangible assets £m	Software £m	Assets under construction £m	IntelliGen £m	Patents, licences and other £m	Total £m
Cost								
Balance at 1 July 2022	56.5	102.9	159.4	28.9	3.7	26.8	4.4	223.2
Additions	–	–	–	–	9.3	–	–	9.3
Transfers	–	–	–	5.9	(5.9)	–	–	–
Effect of movements in exchange rates	(0.2)	(4.0)	(4.2)	(0.3)	(0.1)	(1.1)	–	(5.7)
Balance at 30 June 2023	56.3	98.9	155.2	34.5	7.0	25.7	4.4	226.8
Additions	–	–	–	**0.1**	**9.9**	–	–	**10.0**
Business combination (see note 22)	–	**1.9**	**1.9**	–	–	–	**0.1**	**2.0**
Transfers	–	–	–	**8.1**	**(8.1)**	–	–	–
Effect of movements in exchange rates	**(0.5)**	**(1.0)**	**(1.5)**	–	–	–	–	**(1.5)**
Balance at 30 June 2024	**55.8**	**99.8**	**155.6**	**42.7**	**8.8**	**25.7**	**4.5**	**237.3**
Amortisation and impairment losses								
Balance at 1 July 2022	39.1	80.1	119.2	15.5	–	12.3	4.2	151.2
Amortisation for the year	3.3	4.4	7.7	2.9	–	2.7	0.1	13.4
Effect of movements in exchange rates	0.1	(3.3)	(3.2)	(0.2)	–	(0.6)	–	(4.0)
Balance at 30 June 2023	42.5	81.2	123.7	18.2	–	14.4	4.3	160.6
Amortisation for the year	**3.3**	**2.5**	**5.8**	**3.8**	–	**2.6**	**0.1**	**12.3**
Effect of movements in exchange rates	**(0.3)**	**(0.7)**	**(1.0)**	–	–	–	–	**(1.0)**
Balance at 30 June 2024	**45.5**	**83.0**	**128.5**	**22.0**	**–**	**17.0**	**4.4**	**171.9**
Carrying amounts								
At 30 June 2024	**10.3**	**16.8**	**27.1**	**20.7**	**8.8**	**8.7**	**0.1**	**65.4**
At 30 June 2023	13.8	17.7	31.5	16.3	7.0	11.3	0.1	66.2

Included within brands, multiplier contracts and customer relationships are carrying amounts for brands of £0.5m (2023: £0.6m), multiplier contracts of £7.9m (2023: £9.2m) and customer relationships of £8.4m (2023: £7.9m).

Included within the software class of assets is £13.3m (2023: £9.5m) and included in assets in the course of construction is £0.2m (2023: £2.3m) that relate to the ongoing development costs of GenusOne, our single global enterprise system and £5.0m (2023: £1.6m) that relate to IntelliGen.

11. BIOLOGICAL ASSETS

Fair value of biological assets	Bovine £m	Porcine £m	Total £m
Non-current biological assets	88.0	245.7	333.7
Current biological assets	–	33.1	33.1
Balance at 30 June 2022	88.0	278.8	366.8
Increases due to purchases	23.2	228.9	252.1
Decreases attributable to sales	–	(259.4)	(259.4)
Decrease due to harvest	(14.6)	(31.4)	(46.0)
Changes in fair value less estimated sale costs	6.6	38.2	44.8
Effect of movements in exchange rates	(3.9)	(12.4)	(16.3)
Balance at 30 June 2023	99.3	242.7	342.0
Non-current biological assets	99.3	218.9	318.2
Current biological assets	–	23.8	23.8
Balance at 30 June 2023	99.3	242.7	342.0
Increases due to purchases	**18.8**	**200.0**	**218.8**
Decreases attributable to sales	–	**(214.8)**	**(214.8)**
Decrease due to harvest	**(11.7)**	**(32.2)**	**(43.9)**
Changes in fair value less estimated sale costs	**(44.5)**	**73.0**	**28.5**
Effect of movements in exchange rates	**0.4**	**(1.3)**	**(0.9)**
Balance at 30 June 2024	**62.3**	**267.4**	**329.7**
Non-current biological assets	**62.3**	**235.1**	**297.4**
Current biological assets	–	**32.3**	**32.3**
Balance at 30 June 2024	**62.3**	**267.4**	**329.7**

Bovine

Bovine biological assets include £7.7m (2023: £8.9m) representing the fair value of bulls owned by third parties but managed by the Group, net of expected future payments to such third parties, which are therefore treated as assets held under leases.

There were no movements in the carrying value of the bovine biological assets in respect of sales or other changes during the year.

A risk-adjusted rate of 12.5% (2023: 13.2%) has been used to discount future net cash flows from the sale of bull semen.

Decreases due to harvest represent the semen extracted from the biological assets. Inventories of such semen are shown as biological asset harvest in note 15.

Porcine

Included in increases due to purchases is the aggregate increase arising during the year on initial recognition of biological assets in respect of multiplier purchases, other than parent gilts, of £85.1m (2023: £91.5m).

Decreases attributable to sales during the year of £214.8m (2023: £259.4m) include £103.3m (2023: £104.6m) in respect of the reduction in fair value of the retained interest in the genetics of animals, other than parent gilts, transferred under royalty contracts.

Also included is £89.9m (2023: £96.5m) relating to the fair value of the retained interest in the genetics in respect of animals, other than parent gilts, sold to customers under royalty contracts in the year.

Total revenue in the year, including parent gilts, includes £259.7m (2023: £281.9m) in respect of these contracts, comprising £82.3m (2023: £105.9m) on initial transfer of animals and semen to customers and £177.4m (2023: £176.0m) in respect of royalties received.

A risk-adjusted rate of 12.5% (2023: 12.9%) has been used to discount future net cash flows from the expected output of the pure line porcine herds. The number of future generations which have been taken into account is seven (2023: seven) and their estimated useful lifespan is 1.4 years (2023: 1.4 years).

Year ended 30 June 2024

	Bovine £m	Porcine £m	Total £m
Changes in fair value of biological assets	**(44.5)**	**73.0**	**28.5**
Inventory transferred to cost of sales at fair value	**1.1**	**(32.2)**	**(31.1)**
Biological assets transferred to cost of sales at fair value	–	**(21.3)**	**(21.3)**
	(43.4)	**19.5**	**(23.9)**
Fair value movement in related financial derivative	–	**0.7**	**0.7**
Net IAS 41 valuation movement on biological assets[1]	**(43.4)**	**20.2**	**(23.2)**

Year ended 30 June 2023

	Bovine £m	Porcine £m	Total £m
Changes in fair value of biological assets	6.6	38.2	44.8
Inventory transferred to cost of sales at fair value	1.4	(31.4)	(30.0)
Biological assets transferred to cost of sales at fair value	–	(31.4)	(31.4)
	8.0	(24.6)	(16.6)
Fair value movement in related financial derivative	–	(0.3)	(0.3)
Net IAS 41 valuation movement on biological assets[1]	8.0	(24.9)	(16.9)

1 This represents the difference between operating profit prepared under IAS 41 and operating profit prepared under historical cost accounting, which forms part of the reconciliation to adjusted operating profit (see APMs)

12. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings £m	Plant, motor vehicles and equipment £m	Assets under construction £m	Total owned assets £m	Land and buildings £m	Plant, motor vehicles and equipment £m	Total right-of-use assets £m	Total £m
Cost or deemed cost								
Balance at 1 July 2022	100.2	113.6	29.6	243.4	31.5	28.4	59.9	303.3
Additions	0.2	3.1	19.8	23.1	2.0	8.9	10.9	34.0
Transferred from assets held for sale	0.2	–	–	0.2	–	–	–	0.2
Transfers	18.3	12.1	(30.4)	–	–	–	–	–
Disposals	(1.3)	(3.7)	(0.3)	(5.3)	–	(4.9)	(4.9)	(10.2)
Effect of movements in exchange rates	(6.4)	(5.4)	(1.8)	(13.6)	(1.8)	(0.8)	(2.6)	(16.2)
Balance at 30 June 2023	111.2	119.7	16.9	247.8	31.7	31.6	63.3	311.1
Additions	**1.4**	**2.3**	**12.8**	**16.5**	**32.7**	**8.8**	**41.5**	**58.0**
Business combination (see note 22)	**–**	**0.3**	**–**	**0.3**	**0.4**	**–**	**0.4**	**0.7**
Transfers	**11.3**	**8.4**	**(19.7)**	**–**	**–**	**–**	**–**	**–**
Disposals	**(0.2)**	**(5.4)**	**–**	**(5.6)**	**(2.5)**	**(2.1)**	**(4.6)**	**(10.2)**
Effect of movements in exchange rates	**(1.3)**	**(1.2)**	**0.1**	**(2.4)**	**(1.1)**	**0.5**	**(0.6)**	**(3.0)**
Balance at 30 June 2024	**122.4**	**124.1**	**10.1**	**256.6**	**61.2**	**38.8**	**100.0**	**356.6**
Depreciation and impairment losses								
Balance at 1 July 2022	32.2	73.3	–	105.5	11.4	15.0	26.4	131.9
Depreciation for the year	5.6	12.8	–	18.4	4.6	7.2	11.8	30.2
Disposals	(1.1)	(2.7)	–	(3.8)	–	(4.7)	(4.7)	(8.5)
Effect of movements in exchange rates	(2.2)	(3.6)	–	(5.8)	(0.7)	(0.4)	(1.1)	(6.9)
Balance at 30 June 2023	34.5	79.8	–	114.3	15.3	17.1	32.4	146.7
Depreciation for the year	**5.5**	**12.9**	**–**	**18.4**	**8.9**	**7.4**	**16.3**	**34.7**
Disposals	**(0.1)**	**(3.9)**	**–**	**(4.0)**	**(2.3)**	**(0.9)**	**(3.2)**	**(7.2)**
Impairment	**1.5**	**0.2**	**–**	**1.7**	**–**	**–**	**–**	**1.7**
Effect of movements in exchange rates	**(0.4)**	**(0.7)**	**–**	**(1.1)**	**(0.7)**	**0.5**	**(0.2)**	**(1.3)**
Balance at 30 June 2024	**41.0**	**88.3**	**–**	**129.3**	**21.2**	**24.1**	**45.3**	**174.6**
Carrying amounts								
At 30 June 2024	**81.4**	**35.8**	**10.1**	**127.3**	**40.0**	**14.7**	**54.7**	**182.0**
At 30 June 2023	76.7	39.9	16.9	133.5	16.4	14.5	30.9	164.4

Included within additions right-of-use assets is £24.2m relating to the lease of two pig farms in China.

13. EQUITY-ACCOUNTED INVESTEES

The carrying value of the investments is reconciled as follows:

	2024 £m	2023 £m
Balance at 1 July	**53.5**	41.2
Share of post-tax retained profits of joint ventures and associates	**19.1**	10.5
Additions	**-**	1.0
Acquisition of controlling interest of Xelect Limited (see note 22)	**(2.5)**	–
Long-term loan investment	**2.2**	1.9
Dividends received from Agroceres – PIC Genética de Suínos Ltda (Brazil)	**(3.2)**	(2.4)
Dividends received from Società Agricola GENEETIC S.r.l (Italy)	**(0.2)**	(0.2)
Dividends received from Zhidan - Yan'an Xinyongxiang Technology Co., Ltd (China)	**(1.3)**	-
Effect of other movements including exchange rates	**(7.1)**	1.5
Balance at 30 June	**60.5**	53.5

The long-term loan investment in the year solely relate to cash injections made to Inner Mongolia Haoxiang Pig Breeding Co. Ltd. to fund their operation.

There are no significant restrictions on the ability of the joint ventures and associates to transfer funds to the Parent, other than those imposed by the Companies Act 2006 or equivalent government rules within the joint venture's jurisdiction.

Summary unaudited financial information for equity accounted investees, adjusted for the Group's percentage ownership, is shown below:

Income Statement	Revenue £m	Net IAS 41 valuation movement on biological assets £m	Expenses £m	Taxation £m	Profit after tax £m
Year ended 30 June 2024	**32.8**	**14.6**	**(22.6)**	**(5.7)**	**19.1**
Year ended 30 June 2023	48.1	3.6	(37.3)	(3.9)	10.5

14. OTHER INVESTMENTS

Investments carried at fair value	2024 £m	2023 £m
Listed equity shares – Caribou Biosciences, Inc.	**0.2**	0.4
Unlisted equity shares – Dairy LLC ('BoviSync')	**–**	2.4
Listed equity shares – NMR	**–**	4.4
Unlisted equity shares – Labby, Inc.	**0.5**	0.5
Unlisted equity shares – SwineTech, Inc.	**0.4**	0.4
Unlisted equity shares – Other	**–**	0.7
Other investments	**1.1**	8.8

Caribou Biosciences Inc shares are measured at fair value using the valuation basis of a Level 1 classification. Caribou shares are publicly traded on the NASDAQ.

We hold a strategic non-controlling interest in BoviSync, a herd management software company. The investment is measured at fair value and the valuation basis of a Level 3 classification, with the nil valuation reflecting the current trading performance in difficult market conditions.

NMR ordinary shares were acquired as part of the NMR pension agreement, and are measured at fair value. The valuation basis is Level 1 classification, where fair value techniques are quoted (unadjusted) prices in active markets for identical assets and liabilities. On 21 August 2023 these shares were sold and the total funds received was £4.6m.

15. INVENTORIES

	2024 £m	2023 £m
Biological assets' harvest classed as inventories	**20.0**	22.7
Raw materials and consumables	**4.5**	3.9
Goods held for resale	**32.6**	34.7
Inventories	**57.1**	61.3

16. TRADE AND OTHER RECEIVABLES

	2024 £m	2023 £m
Trade receivables	**94.9**	95.4
Less expected credit loss allowance	**(4.7)**	(3.9)
Trade receivables net of impairment	**90.2**	91.5
Other debtors	**7.3**	8.1
Prepayments	**9.6**	7.7
Contract assets net of impairment	**25.0**	22.4
Other taxes and social security	**3.1**	2.4
Current trade and other receivables	**135.2**	132.1
Other debtors	**4.9**	3.0
Contract assets	**6.9**	5.2
Non-current other receivables	**11.8**	8.2
Trade and other receivables	**147.0**	140.3

Trade receivables

The average credit period our customers take on the sales of goods is 49 days (2023: 48 days). We do not charge interest on receivables for the first 30 days from the date of the invoice.

The Group always measures the loss allowance for trade receivables and contract assets at an amount equal to lifetime expected credit losses ('ECLs'). The ECLs on trade receivables and contract assets are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the general economic conditions of the industry and country in which the debtor operates and an assessment of both the current and the forecast direction of conditions at the reporting date. The Group writes off a trade receivable and a contract asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings.

No customer represents more than 5% of the total balance of trade receivables (2023: no more than 5%).

17. TRADE AND OTHER PAYABLES

	2024 £m	2023 £m
Trade payables	**34.0**	34.8
Other payables	**11.2**	11.6
Accrued expenses	**62.6**	58.1
Contract liabilities	**8.1**	9.8
Other taxes and social security	**7.3**	7.7
Current trade and other payables	**123.2**	122.0
Other payables	**4.0**	–
Contract liabilities	**0.2**	–
Non-current trade and other payables	**4.2**	–
Trade and other payables	**127.4**	122.0

The average credit period taken for trade purchases is 33 days (2023: 32 days).

Other payables include an amount of £11.9m (2023: £nil), of which £4.0m is classified as non-current that relates to the ST litigation settlement, agreed to be paid over the next 18 months. Additionally, it includes £0.1m (2023: £7.5m) repayable on demand to a third-party business partner.

18. RETIREMENT BENEFIT OBLIGATIONS

The Group operates a number of defined contribution and defined benefit pension schemes, covering many of its employees. The principal funds are the Milk Pension Fund ('MPF') and the Dalgety Pension Fund ('DPF') in the UK, which are defined benefit schemes. The assets of these funds are held separately from the Group's assets, are administered by trustees and managed professionally. These schemes are closed to new members.

The financial positions of the defined benefit schemes, as recorded in accordance with IAS 19 and IFRIC 14, are aggregated for disclosure purposes. The liability/(asset) split by principal scheme is set out below.

	2024 £m	2023 £m
The Milk Pension Fund – Genus's share	**–**	–
The Dalgety Pension Fund	**–**	–
National Pig Development Pension Fund	**(0.6)**	(0.2)
Post-retirement healthcare	**0.5**	0.5
Other unfunded schemes	**6.7**	6.6
Overall net pension liability	**6.6**	6.9

Overall, we expect to pay £0.4m (2023: £0.9m) in contributions to defined benefit plans in the 2025 financial year.

Aggregated position of defined benefit schemes

	2024 £m	2023 £m
Present value of funded obligations (includes Genus's 86% share of MPF (2023: 86%))	**722.8**	746.8
Present value of unfunded obligations	**7.4**	7.4
Total present value of obligations	**730.2**	754.2
Fair value of plan assets (includes Genus's 86% share of MPF (2023: 86%))	**(760.0)**	(787.6)
Restricted recognition of asset (MPF and DPF)	**36.4**	40.3
Recognised liability for defined benefit obligations	**6.6**	6.9

Summary of movements in Group deficit during the year

	2024 £m	2023 £m
Deficit in schemes at the start of the year	**(6.9)**	(8.3)
Administration expenses	**(0.3)**	(0.7)
Contributions paid into the plans	**0.8**	1.5
Net pension finance cost	**(0.3)**	(0.2)
Actuarial losses recognised during the year	**(6.0)**	(40.4)
Movement in restriction of assets	**3.9**	38.3
Release of additional liability	**2.1**	3.0
Exchange rate adjustment	**0.1**	(0.1)
Deficit in schemes at the end of the year	**(6.6)**	(6.9)

The expense is recognised in the following line items in the Group Income Statement

	2024 £m	2023 £m
Administrative expenses	**0.3**	0.7
Net finance charge	**0.3**	0.2

	0.6	0.9

Actuarial assumptions and sensitivity analysis

Principal actuarial assumptions (expressed as weighted averages) are:

	2024	2023
Discount rate	**5.15%**	5.25%
Consumer Price Index	**2.55%**	2.65%
Retail Price Index	**2.90%**	3.05%

The mortality assumptions used are consistent with those recommended by the schemes' actuaries and reflect the latest available tables, adjusted for the experience of the scheme where appropriate. For 2024, the mortality tables used are 100% of the S3PMA (males)/S3PFA_M (females) all lives tables, with birth year and CMI 2023 projections with parameters of Sk=7.0 and A=0.5% and weighting parameters of w2020=0%, w2021=0% and w2022=55% and w2023=15%, subject to a long-term rate of improvement of 1.50% per annum for males and females and for 2023, the mortality tables used are 100% of the S3PMA (males)/S3PFA_M (females) all lives tables, with birth year and CMI 2022 projections with parameters of Sk=7.0 and A=0.5% and weighting parameters of w2020=0%, w2021=0% and w2022=25%, subject to a long-term rate of improvement of 1.50% per annum for males and females.

19. NOTES TO THE CASH FLOW STATEMENT

	2024 £m	2023 £m
Profit for the year	**2.4**	31.8
Adjustment for:		
Net IAS 41 valuation movement on biological assets	**23.2**	16.9
Amortisation of acquired intangible assets	**5.8**	7.7
Share-based payment expense	**7.0**	6.0
Share of profit of joint ventures and associates	**(19.1)**	(10.5)
Other gains and losses	**1.7**	(2.7)
Finance costs (net)	**18.3**	14.3
Income tax expense	**3.1**	7.6
Exceptional items (net)	**24.6**	3.5
Adjusted operating profit from continuing operations	**67.0**	74.6
Depreciation of property, plant and equipment	**34.7**	30.2
Loss on disposal of plant and equipment	**0.8**	0.1
Amortisation and impairment of intangible assets	**6.4**	5.7
Adjusted earnings before interest, tax, depreciation and amortisation	**108.9**	110.6
Cash impact of exceptional items relating to operating activities	**(17.9)**	(7.1)
Other movements in biological assets and harvested produce	**(9.6)**	(11.1)
Decrease in provisions	**(1.0)**	(1.0)
Additional pension contributions in excess of pension charge	**(0.5)**	(0.6)
Other	**0.1**	0.2
Operating cash flows before movement in working capital	**80.0**	91.0
Increase in inventories	**(1.3)**	(9.6)
Increase in receivables	**(10.1)**	(9.3)
Increase in payables	**0.2**	6.6
Cash generated by operations	**68.8**	78.7
Interest received	**0.5**	0.1
Interest and other finance costs paid	**(14.5)**	(10.7)
Interest on leased assets	**(2.8)**	(1.2)
Cash flow from derivative financial instruments	**(0.7)**	1.3
Income taxes paid	**(21.5)**	(17.8)
Net cash from operating activities	**29.8**	50.4

Analysis of net debt

Total changes in liabilities due to financing activities are as follows:

	At 1 July 2023 £m	Net cash flows £m	Foreign exchange £m	Other non-cash movements £m	At 30 June 2024 £m
Cash and cash equivalents	36.3	**7.7**	**(1.5)**	**–**	**42.5**
Interest-bearing loans – current	(4.2)	**0.2**	**–**	**(0.9)**	**(4.9)**
Lease liabilities – current	(10.0)	**13.7**	**0.3**	**(18.0)**	**(14.0)**
	(14.2)	**13.9**	**0.3**	**(18.9)**	**(18.9)**
Interest-bearing loans – non-current	(196.0)	**(32.1)**	**(0.1)**	**–**	**(228.2)**
Lease liabilities – non-current	(21.9)	**–**	**0.6**	**(22.8)**	**(44.1)**
	(217.9)	**(32.1)**	**0.5**	**(22.8)**	**(272.3)**
Total debt financing	(232.1)	**(18.2)**	**0.8**	**(41.7)**	**(291.2)**
Net debt	(195.8)	**(10.5)**	**(0.7)**	**(41.7)**	**(248.7)**

Included within non-cash movements is £40.4m in relation to net new leases and £0.9m in the unwinding of debt issue costs.

	At 1 July 2022 £m	Net cash flows £m	Foreign exchange £m	Other non-cash movements £m	At 30 June 2023 £m
Cash and cash equivalents	38.8	1.3	(3.8)	–	36.3
Interest-bearing loans – current	(7.1)	3.8	0.2	(1.1)	(4.2)
Lease liabilities – current	(10.1)	11.1	0.5	(11.5)	(10.0)
	(17.2)	14.9	0.7	(12.6)	(14.2)
Interest-bearing loans – non-current	(182.1)	(17.8)	3.9	–	(196.0)
Lease liabilities – non-current	(24.5)	–	0.8	1.8	(21.9)
	(206.6)	(17.8)	4.7	1.8	(217.9)
Total debt financing	(223.8)	(2.9)	5.4	(10.8)	(232.1)
Net debt	(185.0)	(1.6)	1.6	(10.8)	(195.8)

Included within non-cash movements is £9.7m in relation to net new leases and £1.1m in the unwinding of debt issue costs.

20. CONTINGENCIES AND BANK GUARANTEES

Contingent liabilities are potential future cash outflows, where the likelihood of payments is considered more than remote but is not considered probable or cannot be measured reliably. Assessing the amount of liabilities that are not probable is highly judgemental.

The retirement benefit obligations referred to in note 18 include obligations relating to the MPF defined benefit scheme. Genus, together with other participating employers, is joint and severally liable for the scheme's obligations. Genus has accounted for its section and its share of any orphan assets and liabilities, collectively representing approximately 86% (2023: 86%) of the MPF. As a result of the joint and several liability, Genus has a contingent liability for the scheme's obligations that it has not accounted for.

The Group makes a provision for amounts to the extent where an outflow of economic benefit is probable and can be reliably estimated. However, there are specific claims identified in the litigation where the Group considers the outcome of the claim is not probable and will not result in the outflow of economic benefit.

The Group's future tax charge and effective tax rate could be affected by factors such as countries reforming their tax legislation to implement the OECD's BEPS recommendations and by European Commission initiatives including state aid investigations.

At 30 June 2024, we had entered into bank guarantees totalling £0.6m (2023: £12.6m).

21. NON-CONTROLLING INTEREST

	2024 £m	2023 £m
Non-controlling interest	**1.2**	(2.2)
Put option over non-controlling interest at inception	**(5.5)**	(5.5)
Total non-controlling interest	**(4.3)**	(7.7)

The non-controlling interest can be reconciled as follows:

	2024 £m	2023 £m
Balance at 1 July	**(2.2)**	(0.7)
Total comprehensive expense attributable to the non-controlling interest	**(5.5)**	(1.5)
De- Novo Genetics LLC capital injection	**8.9**	-
Dividends paid by PIC Italia S.r.l	**-**	(0.1)
Effect of exchange rates	**-**	0.1
Balance at 30 June	**1.2**	(2.2)

During the year the owners of De Novo Genetics LLC converted amounts owed by the company into capital. This did not change the percentage of ownership, as an equivalent loan was also capitalised from ABS Global Inc.

22. BUSINESS COMBINATIONS

On 5th December 2023, the Group exercised an option to acquire the remaining 61% of the issued share capital of Xelect Limited ('Xelect'). Prior to this, the Group owned 39% of the issued share capital. Xelect is a leading provider of specialist genetics and breeding management services to the aquaculture industry. Xelect was acquired to establish a window into the Aqua sector and a foundational platform upon which the Group can build an entry into the aqua germplasm space.

The provisional amounts recognised in respect of the identifiable assets acquired and the liabilities assumed are as set out in the table below.

	£m
Other intangible assets	2.0
Property, plant and equipment	0.3
Right-of-use assets	0.4
Inventories	0.1
Trade and other receivables	0.4
Cash and cash equivalents	0.4
Trade and other payables	(0.3)
Obligations under leases	(0.4)
Deferred tax liabilities	(0.5)
Total identifiable assets	**2.4**
Goodwill	4.0
Total consideration	**6.4**
Satisfied by:	
Cash	3.3
Previously held 39% (note 13)	2.5
Contingent consideration arrangement	0.6
Total consideration transferred	**6.4**
Cash consideration	3.3
Less: cash and cash equivalent balances acquired	(0.4)
Net cash outflow arising on acquisition	**2.9**

Prior to control being obtained Xelect was accounted for as an associate (see note 13), when control was obtained the carrying value of the asset was £2.5m. The goodwill of £4.0m arising from the acquisition consists of the knowledge and experience of the workforce. The contingent consideration arrangement is based on the performance of Xelect in the remainder the year ending 30 June 2024. The total value of the contingent consideration will not exceed £0.6m. Acquisition related costs (including administrative costs) amount to £0.1m.

Xelect contributed £1.2m of revenue and a profit after tax of £0.1m for the period between the date control was achieved and the balance sheet date. Prior to control being achieved £nil was recognised in the Group's profit for our 39% share of Xelect's results to that date. If control of Xelect was achieved on the first day of the financial year, the contribution to revenue would have been £2.0m and a profit after tax of £nil.

ALTERNATIVE PERFORMANCE MEASURES GLOSSARY

The Group tracks a number of APMs in managing its business, which are not defined or specified under the requirements of IFRS because they exclude amounts that are included in, or include amounts that are excluded from, the most directly comparable measure calculated and presented in accordance with IFRS, or are calculated using financial measures that are not calculated in accordance with IFRS.

The Group believes that these APMs, which are not considered to be a substitute for or superior to IFRS measures, provide stakeholders with additional helpful information on the performance of the business. These APMs are consistent with how the business performance is planned and reported within the internal management reporting to the Board and GELT. Some of these APMs are also used for the purpose of setting remuneration targets.

These APMs should be viewed as supplemental to, but not as a substitute for, measures presented in the consolidated financial information relating to the Group, which are prepared in accordance with IFRS. The Group believes that these APMs are useful indicators of its performance. However, they may not be comparable to similarly titled measures reported by other companies, due to differences in the way they are calculated.

The key APMs that the Group uses include:

Alternative Performance Measures	**Calculation methodology and closest equivalent IFRS measure (where applicable)**	**Reasons why we believe the APMs are useful**
Income Statement measures		
Adjusted operating profit exc JVs	Adjusted operating profit is operating profit with the net IAS 41 valuation movement on biological assets, amortisation of acquired intangible assets, share-based payment expense and exceptional items added back and excludes JV and associate results. *Closest equivalent IFRS measure: Operating profit*[1] See reconciliation below.	Allows the comparison of underlying financial performance by excluding the impacts of adjusting items and is a performance indicator against which short-term and long-term incentive outcomes for our senior executives are measured: • net IAS 41 valuation movements on biological assets – these movements can be materially volatile and do not directly correlate to the underlying trading performance in the period. Furthermore, the movement is non-cash related and many assumptions used in the valuation model are based on projections rather than current trading; • amortisation of acquired intangible assets – excluding this improves the comparability between acquired and organically grown operations, as the latter cannot recognise internally generated intangible assets. Adjusting for amortisation provides a more consistent basis for comparison between the two but it is also a measure excluded from our managements remuneration assessment, as well as our debt agreements and banking covenants. It is also one requested and used by our investor group to evaluate our performance.; • share-based payments – this expense is considered to be relatively volatile and not fully reflective of the current period trading, as the performance criteria are based on EPS performance over a three-year period and include estimates of future performance; and • exceptional items – these are items which due to either their size or their nature are excluded, to improve the understanding of the Group's underlying performance.
Adjusted operating profit inc JVs	Including adjusted operating profit from JV and associate results. See reconciliation below.	
Adjusted operating profit inc JVs exc gene editing costs	Including adjusted operating profit from JV and associate results but excluding gene editing costs. See reconciliation below.	
Adjusted operating profit inc JVs after tax	Adjusted operating profit including JV less adjusted effective tax. See reconciliation below.	
Adjusted profit before tax	Adjusted operating profit including JVs less net finance costs. See reconciliation below.	
Adjusted profit after tax	Adjusted profit including JVs before tax less adjusted effective tax. See reconciliation below.	
Adjusted effective tax rate	Total income tax charge for the Group excluding the tax impact of adjusting items, divided by the adjusted operating profit. *Closest equivalent IFRS measure: Effective tax rate* See reconciliation below.	Provides an underlying tax rate to allow comparability of underlying financial performance, by excluding the impacts of net IAS 41 valuation movement on biological assets, amortisation of acquired intangible assets, share-based payment expense and exceptional items.

Alternative Performance Measures	Calculation methodology and closest equivalent IFRS measure (where applicable)	Reasons why we believe the APMs are useful
Adjusted basic earnings per share	Adjusted profit after tax profit divided by the weighted basic average number of shares. *Closest equivalent IFRS measure: Earnings per share* See calculation below.	On a per share basis, this allows the comparability of underlying financial performance by excluding the impacts of adjusting items.
Adjusted diluted earnings per share	Underlying attributable profit divided by the diluted weighted basic average number of shares. *Closest equivalent IFRS measure: Diluted earnings per share* See calculation below.	
Adjusted earnings cover	Adjusted earnings per share divided by the expected dividend for the year. See calculation below.	The Board's dividend policy targets adjusted earning cover to be between 2.5–3 times.
Adjusted EBITDA – calculated in accordance with the definitions used in our financing facilities	This is adjusted operating profit, adding back cash received from our JVs, depreciation of property, plant and equipment, depreciation of the historical cost of biological assets, operational amortisation (i.e. excluding amortisation of acquired intangibles) and deducting the amount attributable to minority interest. *Closest equivalent IFRS measure: Operating profit*[1] See reconciliation below.	This APM is presented because it is used in calculating our ratio of net debt to EBITDA and our interest cover, which we report to our banks to ensure compliance with our bank covenants.
Adjusted operating margin	Adjusted operating profit (including JVs) divided by revenue.	Allows for the comparability of underlying financial performance by excluding the impacts of exceptional items.
Adjusted operating margin (exc JVs)	Adjusted operating profit divided by revenue.	
Constant currency basis	The Group reports certain financial measures, on both a reported and constant currency basis and retranslates the current year's results at the average actual exchange rates used in the previous financial year.	The Group's business operates in multiple countries worldwide and its trading results are translated back into the Group's functional currency of Sterling. This measure eliminates the effects of exchange rate fluctuations when comparing year-on-year reported results.
Balance Sheet measures		
Net debt	Net debt is gross debt, made up of unsecured bank loans and overdrafts and obligations under finance leases, with a deduction for cash and cash equivalents. See reconciliation below.	This allows the Group to monitor its levels of debt.
Net debt – calculated in accordance with the definitions used in our financing facilities	Net debt excluding the impact of adopting IFRS 16 and adding back guarantees and deferred purchase arrangements. See reconciliation below.	This is a key metric that we report to our banks to ensure compliance with our bank covenants.
Cash flow measures		
Change in alternative performance measures	During the period a review was undertaken of the cash flow APMs utilised by the Group to measure performance. Following this review the definitions of 'Cash conversion' and 'Free cash flow' were amended, additionally a new APM 'Adjusted cash from operating activities' was created. The directors believe that these measures more accurately reflect the cash management and return on invested capital. These revised measures are aligned with the way the performance targets are set and assessed internally.	
Cash conversion	Adjusted cash from operating activities as a percentage of adjusted operating profit excluding JVs. See calculation below.	This is used to measure how much operating cash flow we are generating and how efficient we are at converting our operating profit into cash and is used to set performance targets internally.
Free cash flow	Net Cash from operating activities after capital expenditure (including capital payments for leased assets) including cash received from our joint ventures. Closest IFRS measure: Net cash from operating activities See calculation below.	This is used to measure the amount of cash retained in the business before net investing activities, debt repayments and dividend payments.
Adjusted cash from operating activities	Net Cash from operating activities after capital expenditure (including leased assets) including cash received from our joint ventures, excluding net interest paid, exceptional cash, pension charges, movements in provisions and other cash outflows. Closes IFRS measure: Net cash from operating activities See calculation below.	This is used to measure the amount of cash that is generated by our operating activities and is used to set performance targets internally.

Alternative Performance Measures	Calculation methodology and closest equivalent IFRS measure (where applicable)	Reasons why we believe the APMs are useful
Other measures		
Interest cover	The ratio of adjusted net finance costs, calculated in accordance with the definitions used in our financing facilities, is net finance costs with a deduction for pension interest, interest from adopting IFRS 16, unwinding of discount on put options and amortisation of refinancing fees, to adjusted EBITDA. *Closest equivalent IFRS components for the ratio: The equivalent IFRS components are finance costs, finance income and operating profit* See calculation and reconciliation below.	This APM is used to understand our ability to meet our interest payments and is also a key metric that we report to our banks to ensure compliance with our bank covenants.
Ratio of net debt to adjusted EBITDA	The ratio of net debt, calculated in accordance with the definitions used in our financing facilities, is gross debt, made up of unsecured bank loans and overdrafts and obligations under finance leases, with a deduction for cash and cash equivalents and adding back amounts related to guarantees and deferred purchase arrangements, to adjusted EBITDA. *Closest equivalent IFRS components for the ratio: The equivalent IFRS components are gross debt, cash and cash equivalents and operating profit* See calculation below.	This APM is used as a measurement of our leverage and is also a key metric that we report to our banks to ensure compliance with our bank covenants.
Return on adjusted invested capital	The Group's return on adjusted invested capital is measured on the basis of adjusted operating profit including JVs after tax, which is operating profit with the pre-tax share of profits from JVs and associates, net IAS 41 valuation movement on biological assets, amortisation of acquired intangible assets, share-based payment expense and exceptional items added back, net of amounts attributable to non-controlling interest and tax. The adjusted operating profit including JVs after tax is divided by adjusted invested capital, which is the equity attributable to owners of the Company adding back net debt, pension liability net of related deferred tax and deducting biological assets (less historical cost) and goodwill, net of related deferred tax. *Closest equivalent IFRS components for the ratio:* *Return on invested capital* See calculation and reconciliation below.	This APM is used to measure our ability to efficiently invest our capital and gives us a sense of how well we are using our resources to generate returns.

1 Operating profit is not defined per IFRS. It is presented in the Group Income Statement and is shown as profit before tax, finance income/costs and share of post-tax profit of JVs and associates retained

THE TABLES BELOW RECONCILE THE CLOSEST EQUIVALENT IFRS MEASURE TO THE APM OR OUTLINE THE CALCULATION OF THE APM

Income statement measures
Adjusted operating profit exc JVs
Adjusted operating profit inc JVs
Adjusted operating profit inc JVs and exc gene editing costs

	2024		2023		
	£m	£m	£m	£m	Reference
Operating profit		**6.4**		**40.5**	Group Income Statement
Add back:					
Net IAS 41 valuation movement on biological assets	23.2		16.9		Group Income Statement
Amortisation of acquired intangible assets	5.8		7.7		Group Income Statement
Share-based payment expense	7.0		6.0		Group Income Statement
Exceptional items	24.6		3.5		Group Income Statement
Adjusted operating profit exc JVs		**67.0**		**74.6**	Group Income Statement
Amounts attributable to non-controlling interest		0.9		0.4	Group Income Statement
Operating profit from JVs and associates	19.1		10.5		Group Income Statement
Tax on JVs and associates	5.7		3.9		Note 7 – Income tax expense
Net IAS 41 valuation movement in JVs	(14.6)		(3.6)		Note 13 – Equity-accounted investees
Adjusted operating profit from JVs		10.2		10.8	
Adjusted operating profit inc JVs		**78.1**		**85.8**	

Adjusted operating profit inc JVs after tax

	2024		2023		
		£m		£m	Reference
Adjusted operating profit inc JVs		**78.1**		**85.8**	See APM
Effective Tax Rate	**28.1%**		**22.2%**		Note 8 – Earnings per share
Adjusted tax		(21.9)		(19.0)	No direct reference
Adjusted operating profit inc JVs after tax		**56.2**		**66.8**	

Adjusted profit before tax
Adjusted profit after tax

	2024	2023	
	£m	£m	Reference
Adjusted operating profit inc JVs	**78.1**	**85.8**	See APM
Less net finance costs	(18.3)	(14.3)	Note 6 – Net finance costs
Adjusted profit before tax	**59.8**	**71.5**	
Adjusted tax	(16.8)	(15.9)	Note 8 – Earnings per share
Adjusted profit after tax	**43.0**	**55.6**	

Adjusted effective tax £m/rate

	2024		2023		
	£m	%	£m	%	Reference
Adjusted effective tax £m/rate	**16.8**	**28.1**	**15.9**	**22.2**	Note 8 – Earnings per share
Exceptional items	(3.9)	(15.9)	(0.9)	(25.7)	No direct reference
Share-based payment expense	(0.7)	(10.0)	(0.8)	(13.0)	No direct reference
Other gains and losses	(0.4)	(23.5)	0.7	25.0	No direct reference
Amortisation of acquired intangible assets	(1.5)	(25.9)	(1.9)	(24.7)	No direct reference
Net IAS 41 valuation movement on biological assets	(4.7)	(20.3)	(1.5)	(8.9)	No direct reference
Net IAS 41 valuation movement on biological assets in joint ventures	3.2	21.9	-	-	No direct reference
Effective tax £m/rate	**8.8**	**78.6%**	**11.5**	**26.6**	Note 7 – Taxation and deferred taxation

Adjusted basic earnings per share

	2024	2023	Reference
Adjusted profit after tax (£m)	**43.0**	**55.6**	See APM
Weighted average number of ordinary shares (000s)	65.686	65.557	Note 8 – Earnings per share
Adjusted basic earnings per share (pence)	**65.5**	**84.8**	

Adjusted diluted earnings per share

	2024	2023	Reference
Adjusted profit after tax (£m)	**43.0**	**55.6**	See APM
Weighted average number of diluted ordinary shares (000s)	66.174	65.998	Note 8 – Earnings per share
Adjusted diluted earnings per share (pence)	**65.0**	**84.2**	

Adjusted earnings cover

	2024		2023		
	pence	times	pence	times	Reference
Adjusted earnings per share	**65.5**		**84.8**		See APM
Dividend for the year	**32.0**		**32.0**		Note 9 – Dividends
Adjusted earnings cover		**2.0**		**2.7**	

Adjusted EBITDA – as calculated under our financing facilities

	2024		2023		
	£m	£m	£m	£m	Reference
Operating profit		**6.4**		**40.5**	Group Income Statement
Add back:					
Net IAS 41 valuation movement on biological assets	23.2		16.9		Group Income Statement
Amortisation of acquired intangible assets	5.8		7.7		Group Income Statement
Share-based payment expense	7.0		6.0		Group Income Statement
Exceptional items	24.6		3.5		Group Income Statement
Adjusted operating profit exc JVs	67.0		74.6		Group Income Statement
Adjust for:					
Cash received from JVs	4.7		2.6		Group Statement of Cash Flows
Less share of JVs losses	(1.7)		(2.7)		No direct reference
Depreciation: property, plant and equipment	34.7		30.2		Note 12 – Property, plant and equipment
Operational lease payments	(16.5)		(12.3)		No direct reference
Depreciation: historical cost of biological assets	15.3		13.4		No direct reference
Amortisation and impairment (excluding separately identifiable acquired intangible assets)	6.5		5.7		Note 10 – Intangible assets
Amounts attributable to non-controlling interest	0.9		0.4		Group Income Statement
Adjusted EBITDA – as calculated under our financing facilities		**110.9**		**111.9**	

BALANCE SHEET MEASURES

Net debt

Net debt as calculated under our financing facilities

	2024		2023		
	£m	£m	£m	£m	Reference
Current unsecured bank loans and overdrafts	4.9		4.2		Group Balance Sheet
Non-current unsecured bank loans and overdrafts	228.2		196.0		Group Balance Sheet
Unsecured bank loans and overdrafts		233.1		200.2	
Current obligations under finance leases	14.0		10.0		Group Balance Sheet
Non-current obligations under finance leases	44.1		21.9		Group Balance Sheet
Obligations under finance leases		58.1		31.9	
Total debt financing		291.2		232.1	Note 19 – Notes to the cash flow statement
Deduct:					
Cash and cash equivalents		(42.5)		(36.3)	Group Balance Sheet
Net debt		**248.7**		**195.8**	
Deduct:					
Lower of obligations under finance leases or £30m		(30.0)		(30.0)	
Add back:					
Guarantees		0.6		12.6	Note 20 – Contingencies and bank guarantees
Cash not available		0.9		0.8	No direct reference
Cash subject to exchange controls		0.8		0.5	No direct reference
Net debt – as calculated under our financing facilities		**221.0**		**179.7**	

CASH FLOW MEASURES

Free cash flow & Adjusted cash from operating activities

	2024		2023		
	£m	£m	£m	£m	Reference
Net cash from operating activites		**29.8**		**50.4**	Group Statement of Cash Flows
Purchase of property, plant and equipment		(14.8)		(25.9)	Group Statement of Cash Flows
Purchase of intangible assets		(9.9)		(9.3)	Group Statement of Cash Flows
Proceeds from sale of property, plant and equipment		0.7		2.4	Group Statement of Cash Flows
Dividends received from joint ventures and associates		4.7		2.6	Group Statement of Cash Flows
Payment of lease liabilities		(13.7)		(11.1)	Group Statement of Cash Flows
Free cash flow		**(3.2)**		**9.1**	
Add back:					
Interest received		(0.5)		(0.1)	Note 19 – Notes to the cash flow statement
Interest and other finance costs paid		14.5		10.7	Note 19 – Notes to the cash flow statement
Interest on leased assets		2.8		1.2	Note 19 – Notes to the cash flow statement
Cash flow from derivative financial instruments		0.7		(1.3)	Note 19 – Notes to the cash flow statement
Income taxes paid		21.5		17.8	Note 19 – Notes to the cash flow statement
Cash impact of exceptional items relating to operating activities		17.9		7.1	Note 19 – Notes to the cash flow statement
Additional pension contributions in excess of pension charge		0.5		0.6	Note 19 – Notes to the cash flow statement
Decrease in provisions		1.0		1.0	Note 19 – Notes to the cash flow statement
Other		(0.1)		(0.2)	Note 19 – Notes to the cash flow statement
Adjusted cash from operating activities		**55.1**		**45.9**	Group Income Statement

Cash conversion

	2024		2023		
	£m	%	£m	%	Reference
Adjusted operating profit inc JVs	**78.1**		**85.8**		See APM
Adjusted cash from operating activities	**55.1**		**45.9**		See APM
Cash conversion		**71%**		**53%**	

OTHER MEASURES

Interest cover

	2024		2023		
	£m	Times	£m	Times	Reference
Finance costs	22.2		15.4		Group Income Statement
Finance income	(3.9)		(1.1)		Group Income Statement
Net finance costs	18.3		14.3		Note 6 – Net finance costs
Deduct:					
Pension interest	(0.3)		(0.2)		Note 6 – Net finance costs
Interest on lease liabilities	(2.8)		(1.2)		Note 6 – Net finance costs
Unwinding discount on put options	(0.2)		(0.3)		Note 6 – Net finance costs
Amortisation of refinancing fees	(0.9)		(1.1)		Note 6 – Net finance costs
Adjusted net finance costs	**14.1**		**11.5**		
Adjusted EBITDA – as calculated under our financing facilities	**110.9**		**111.9**		See APM
Interest cover		**7.9**		**9.7**	

Ratio of net debt to adjusted EBITDA

	2024		2023		
	£m	**Times**	£m	Times	Reference
Net debt – as calculated under our financing facilities	**221.0**		**179.7**		See APM
Adjusted EBITDA – as calculated under our financing facilities	**110.9**		**111.9**		See APM
Ratio of net debt to EBITDA		**2.0**		**1.6**	

Return on adjusted invested capital

	2024		2023		
	£m	**%**	£m	%	Reference
Adjusted operating profit inc JVs after tax	**56.2**		**66.8**		See APM
Equity attributable to owners of the Company	548.2		574.9		Group Balance Sheet
Add back:					
Net debt	248.7		195.8		Note 19 – Notes to the cash flow statement
Pension liability	6.6		6.9		Group Balance Sheet
Related deferred tax	(1.2)		(1.2)		No direct reference
Adjust for:					
Biological assets – carrying value	(329.7)		(342.0)		Note 11 – Biological assets
Biological assets' harvest classed as inventories	(20.0)		(22.7)		Note 15 – Inventories
Biological assets – historic cost	80.9		83.4		See Financial Review
Goodwill	(110.3)		(107.8)		Group Balance Sheet
Related deferred tax	66.3		67.7		No direct reference
Adjusted invested capital	**489.5**		**455.0**		
Return on adjusted invested capital		**11.5%**		**14.7%**	

Return on invested capital

	2024		2023		
	£m	**%**	£m	%	Reference
Return on adjusted invested capital		**11.5%**		**14.7%**	See APM
Adjusted operating profit inc JVs after tax	56.2		66.8		See APM
Tax rate	21.9	28.1%	19.0	22.2%	Note 8 – Earnings per share
Adjusted operating profit inc JVs	78.1		85.8		See APM
Adjusted operating profit attributable to non-controlling interest	(0.9)		(0.4)		Group Income Statement
Pre-tax share of profits from JVs exc net IAS 41 valuation movement	(10.2)		(10.8)		See APM
Adjusted operating profit exc JVs	67.0		74.6		Group Income Statement
Fair value movement on biological assets	(23.2)		(16.9)		Group Income Statement
Amortisation of acquired intangibles	(5.8)		(7.7)		Group Income Statement
Share-based payment expense	(7.0)		(6.0)		Group Income Statement
Exceptional items	(24.6)		(3.5)		Group Income Statement
Share of post-tax profit of JVs	19.1		10.5		Group Income Statement
Other gains and losses	(1.7)		2.7		Group Income Statement
Finance costs	(18.3)		(14.3)		Group Income Statement
Profit before tax	5.5		39.4		Group Income Statement
Tax	(3.1)		(7.6)		Group Income Statement
Profit	**2.4**		**31.8**		Group Income Statement
Equity attributable to owners of the Company	**548.2**		**574.9**		Group Balance Sheet
Return on invested capital		**0.4%**		**5.5%**	